Declassified E.O. 12356 Section 3.3/NND No. 785017

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10000/104/759

Declassified E.O. 12356 Section 3.3/NND No. 785017

10000/109/759

ECONOMIC STAFF MEETING, MINUTES
MAY 1945 – OCT. 1946

Declassified E.O. 12356 Section 3.3/NND No. 785017

Ex Comm. #94

~~Gen~~ Minutes of the Econ Section Staff meeting of 30 Sept are at 12 Passages of interest have been marked.

F McM 7/10. H.S. 8/10

#95

Acting V.P. Economic Section.

I am very doubtful as to whether this Commission should be involved in the matter referred to in para. 6 of the minutes of the Economic Section Staff Meeting held 30th September, 1946.

This Commission is an Allied organisation, mainly composed of British and American Officers, and it would not appear that it should be involved in discussions between territories under purely British administration and Italian government.

My reaction is that this matter should be handed over to the British Embassy who have an economic minister or advisor.

A parallel case to the above is that in which B.M.A. Tripolitania have been dealing direct with Public Safety Sub Commission of this Headquarters, on the subject of illegal immigration into Tripolitania. A.F.H.Q. have sent a wire to the War Office, London, expressing the opinion that this is not a matter to be dealt with by this Commission but by the British Embassy.

No action should be taken by us as the matter is being dealt as one of general policy.

M.Carr,
Brigadier,
A/Executive Commissioner.

#96

Ex. Comm. H.S. 17/10

Your instructions in minute

Meeting held 30th September, 1946.

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My reaction is that this matter should be handed over to the British Embassy who have an economic minister or advisor.

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No action should be taken by us as the matter is being dealt as one of general policy.

M.Carr,
Brigadier,
Executive Commissioner.

E.96

Ex. Copsom.

Your instructions in minute 4. noted. Commerce (FT) Division will be instructed accordingly 21/4

Holmwalker. Col.
16/10/46

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92.

Ex Comm.

See 1 91 in reply to your m 90.

H.S. Mo

9

93.

Economic Section.

Reference para 6 of 88 and Folio 91. I presume that arrangements will be made for someone to take over any duties that were performed by Capt. Vaughan at VENICE and which are necessary.

M Carr Brig.

94

3 October 1946.

M. CARR,
Brigadier,
A/Executive Commissioner.

AVP

5 Oct '46

By letter 13C/AMG/TH/314 of 19 September '46 this office was advised that the Transportation Division of AMG, 13 Corps was taking over office of P.L.O. Venice. Correspondance should be addressed to Senior Transportation officer (attn: Lt. Bossard) Hq. AMG, 13 Corps (now AMG, Venezia Giulia).

G. Mellin, Capt

95

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A/Executive Commissioner.

3 October 1946.

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G. Mellin, Capt

95

Exec. Comm.

Attention invited to minute 94 in reference to question in minute 93

Office Secretary
CSO. N! 9/10 2148
Mil Mr Carr-Brig
A/10

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53

CSO:

The EC's attention should be called to par. 5 of p. 52, bearing on bread situation.

WJ 15/6

54.

Ex Comm.

f'o 51-52 for info. NS. 1576 P/A. NL. 617 718.

83.

Ex Comm.

Please see folios 81-82 for info.

J. McM. 13/9 WJS

NS/14/5.

86.

Ex Comm.

Folio 85 for info please.

J. McM. 19/9.

DJC

89.

Ex Comm.

Folios 87-88 for info. please.

J. McM. 30/9 NS. 3019

90.

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Ex Comm

83

bbb Please see folios 81-82 for info.

J. McM. 13/9 WJS

DS/14/9.

Ex Comm

86.

bbb. Folio 85 for info please.

J. McM. 19/9.

WJS

Ex Comm.

89.

bbb Folios 87-88 for info. please.

J. McM. 20/9 WJS.

90.

Ex. (B). To see para 6 of 88. This is quite Contrary to what Capt. Vaughan stated but in any case para 6 is quite unintelligible to me. What is G-5 British? I suggest you should have a word with Col Lockett before matters get out of control. Capt. Vaughan told us that his release from his duties in Venice was so swift that even I felt it was not necessary to put anything in writing.

29/9/46

M Cain Brig.
A/Ex. Comm.

Declassified E.O. 12356 Section 3.3/NND No. 785017

4021 50 93 E

ES/1.27

Exec. Comm

HEADQUARTERS ALLIED COMMISSION
APO 794
Economic Section

Ref.: ES/1.27

1 October 1946

OCT 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 30 SEPT. 1946

PRESENT:

Economic Section	Col. H.M. Walker Lt. Col. C.G. Webster Jr.
CRM Branch	Lt. Col. F.G. Green
Food, Agriculture & A.M.G. Supply Branch	Capt. Gilbert Mellin Capt. M.H. Cazel
Commerce (FT) Branch	Maj. C.A.F. Rothey

Meeting opened at 1600 hours. Col. Walker presided.

1. Lt. Col. Webster stated that he had heard from G-5 re. Capt. Vaughan's status and that he has been released from XIII Corps, therefore he is not under control of this Headquarters.

2. Col. Webster announced a further slight decline in the wheat situation within the last week, amounting to 5 days' supply of bread and paste. The stocks on hand are now sufficient for ninety-nine days.

Stocks on hand in Udine are sufficient to last up to 30 January 1947 and the paste ration through December. The S/S Cape Romano has arrived for Udine carrying 472 tons of flour. Trieste has loaned 400 tons of flour to the Italian Government for Padova. Venezia Giulia has not sent us a report on the wheat and flour situation.

The High Commission of Food has dispensed a special allotment of evaporated milk to the SHAEF of Rome (630 tons) and Frosinone (10 tons). Other allotments have been made to UNRRA, such as meat, evaporated milk, canned fish, dry vegetables, chocolate, biscuits, flour, powdered eggs, etc.

In about a week it is expected that the S/S Kerkyra will arrive carrying coal loaned by UNRRA to Venezia Giulia and Udine to meet the present critical shortage. On 20 October it is expected the S/S Miguel De Larringa with another cargo of coal will arrive.

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CRM Branch — Lt. Col. C.G. Webster Jr.

Food, Agriculture & A.M.G. Supply Branch — Lt. Col. F.G. Green

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Capt. M.H. Cazel

Commerce (FT) Branch — Maj. C.A.F. Rothey

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3. Lt. Col. Webster announced that the monthly reports are due in this office not later than 10 October.

4. Col. Walker reported that the arrivals of coal for the month of September are better than previous estimates. While a firm figure cannot be given at this time, there have been approximately 682,000 tons arrive during the month. 12,000 tons of this came from Poland. The estimated arrivals for October are 600,000 tons, which indicates that the effect of the shipping strike in the U.S. will be felt more in October than it was in September.

Latest advices indicate that the production of Sardinian coal will be approximately 90,000 tons for September.

There is little change in the POL situation. The stock position remains stable--at about 60 days' supply.

(4/Zone)

See n - 93, 94, 95, 96

PP 11/10/46

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It is anticipated that crude oil will begin to arrive at Naples and Bari about 15 October, in which event the refineries at these two places will be started before the end of the month.

There were no immediate results obtained in our de-requisitioning program during the past week. We have, however, been informed by the military authorities in Naples that a warehouse and an apartment will be de-requisitioned in 3 or 4 weeks respectively.

In Southern Italy the electricity situation continues to be serious. The drought is persisting and the Sila reservoir is now down to 46 million KWH in storage. An extra allocation of 2,000 tons of fuel oil has been obtained for the Capuano steam plant at Naples. In Central Italy the situation is also serious as the drought still persists and the only good news is that the large transformer at Maglians sub-station, supplying Rome, has been reactivated. In Northern Italy the electricity supply is normally good.

5. Lt. Col. Green reported that efforts are being made to speed up the return of CMM materials and quite a large amount is being turned back to the Italians. Units have been instructed to turn in materiel in excess of their requirements.

6. Maj. Rothey reported that the Civil Affairs' authorities in Cairo had made arrangements through Allied Commission, with the Italian Government that compensation trade between Italy and areas under British Military Administration should be terminated and private trade on a merchant to merchant basis should take its place. Payment to be made in sterling through London. The prices quoted in Tripolitania, in view of the fact that Italian importers have to buy sterling available from exports at about 2,000 lire to the pound are so high that trade has come virtually to a standstill. The matter has been taken up with the Economic Directorate of the Ministry of Foreign Affairs, and the possibility of putting sterling at the disposal of importers discussed. This is being studied at the present moment. When this study is completed, any decisions taken will be passed to Civil Affairs, G.H.Q., Cairo, for consideration.

7. Capt. Mellin reported that he had received a call from Venezia Giulia inquiring about their fuel supply in view of the fact that XIII Corps was going out of business. They have not been receiving what they wanted in the way of special oil and lubricants. With regard to the petroleum for the Cassa organization that UNRRA furnished the trucks for, the C.I.P. has already made arrangements to furnish it to carry on the work. It was suggested that Capt. Mellin should contact Mr. Esom, Secretary at C.I.P. about this.

Col. Walker suggested that Capt. Mellin keep in close touch with the Coal Branch of UNRRA re. several ships coming to Venezia Giulia/

Declassified E.O. 12356 Section 3.3/NND No. 785017

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Col. Walker suggested that Capt. Mellin keep in close touch with the Coal Branch of UNRRA re. several ships coming carrying coal for Venezia Giulia/Udine. Trieste is afraid of receiving anthracite coal as they do not have many places to use this type of coal there.

2745

Capt. Mellin reported that UNRRA is talking of raising the per day calorie diet for the first half of 1947 and again for the second half and our food figures may need to be increased to keep up with Italy proper. We are importing only enough for 950 calories a day in Venezia Giulia.

8. Col. Walker brought up the question of whether the weekly Economic Section meetings should be continued and suggested that a short memorandum from each Branch might be turned in every Monday, which could be compiled for the meeting in the Executive Commissioner's office on Tuesday morning. He concluded by saying that we would have next week's meeting at the scheduled time.

The meeting adjourned at 1630 hours.

Carlos G. Webster

CARLOS G. WEBSTER JR.
Lt. Col., FA
Chief Staff Officer

Declassified E.O. 12356 Section 3.3/NND No. 785017

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Lt. Col., FA
Chief Staff Officer

Declassified E.O. 12356 Section 3.3/NND No. 785017

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ALLIED [redacted] COMMISSION

INTER-OFFICE MEMORANDUM

91

SUBJECT: Capt VAUGHAN FILE No. KOR/73/0

TO : Executive Commissioner 2 Oct 1946

Ref your minute 90 subject Capt VAUGHAN.

I have spoken to Col WALKER, who also found minute 6 unintelligible, but I explained your decision with regard to Capt VAUGHAN, and Col WALKER is quite willing that he should be declared surplus.

I have therefore taken the necessary steps with Dep Mil Sec.

K. WILDE-JONES
Lt-Col
Executive Officer (S)

KWJ/d

274

See M-92, 93, 94, 95

4021

Ex Ce Conn 88

HEADQUARTERS ALLIED COMMISSION
APO 794
Economic Section

SEP 30 1946

Ref.: EB/1.27

23 September 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 23 SEPT. 1946

PRESENT:

Economic Section	Col. H.M. Walker Lt. Col. C.C. Webster Jr. Maj. M.E. Davey
CCM Branch	Lt. Col. F.G. Green
Food, Agriculture & A.M.G. Supply Branch	Lt. Col. Paul Graves
Transportation & Shipping Branch	Lt. Col. A.H. Street
Commerce (FT) Branch	Maj. C.A.F. Rothey

Meeting opened at 1610 hours. Col. Walker presided.

1. Lt. Col. Graves reported an additional slight decline in the wheat level for the third successive week, amounting to 10 days' supply of wheat and paste. The stocks are sufficient to cover 104 days.

In Udine the stocks on hand are sufficient to support the bread ration through January and the paste ration through December. In Venezia Giulia the stocks on hand for bread are sufficient to last through October and ration for paste till the end of September.

The S.S. Niki arrived the middle of this month carrying approximately 9,000 tons of flour, 750 tons of which were loaned to the American Military account, which will be repayable within 30 days.

The coal situation in Venezia Giulia and Udine is getting very acute. Negotiations are underway to obtain a shipload of [redacted] coal.

Venezia Giulia has requested 500 pounds of ether and this request has been forwarded to AFHQ and that it be supplied from British stocks within this theater.

The program for the first half of 1947 for Venezia Giulia is being checked, with particular emphasis on coal and oil requirements, but so far the program has not yet been received from Udine.

Declassified E.O. 12356 Section 3.3/NND No. 785017

Food, Agriculture & A.M.G. Supply Branch	Lt. Col. Paul Graves
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The program for the first half of 1947 for Venezia Giulia is being checked, with particular emphasis on coal and oil requirements, but so far the program has not yet been received from Udine.

2. Col. Walker stated that it had been arranged to purchase 4 cargoes of coal from the Ruhr, 2 in September and 2 in October, and we have arranged with UNRRA to borrow a ship, which will go into Trieste. It is hoped that this will take care of the immediate situation in Venezia Giulia and Udine.

3. Lt. Col. Green announced that A.F.H.Q. requests liquidation of all dumps of CMH materials and that weekly reports of outstanding dumps be turned in by Area Command to AFHQ.

4. Maj. Rothey commented on the lack of gasoline for use of business men generally. This affects foreign business men coming to Italy. He inquired whether there was any chance of improvement in the situation. Col. Walker announced that, according to UNRRA program, there is no possibility of any increase in the supply of gasoline. He also explained that more vehicles are on the road now and the quantity of gas is not increasing accordingly. Col. Walker announced that he would consult with UNRRA about this matter.

(3/(Mac)

Sec n-89-90, 93, 94.95

PA 30/9

Declassified E.O. 12356 Section 3.3/NND No. 785017

Maj. Rothey added that the Italian Government should take some energetic steps to put the large number of unlicensed vehicles off the road.

5. Col. Walker reported the coal situation as follows: the shipping strike in the U.S. had reduced the estimated September arrivals of coal from 900,000 tons to 600,000 tons. The first five trainloads of 400,000 tons have arrived in Italy.

Regarding the POL situation, there has been little change so far as stocks are concerned, being maintained at about the 60 day level. In reference to starting the refineries at Bari and Naples, the storage facilities are now available at both places to commence the work. No crude oil has arrived in Italy yet. It is expected that they will commence during the fourth week in October, in which event the refineries will be started immediately upon arrival of the crude. It is expected that the refinery at La Spezia will begin operations about 1 March 1947 and the one at Porto Marghera will begin operations about 15 March 1947.

No progress was made on de-requisitioning during the past week, as not a single de-requisition was obtained, while six refusals were received from various military units.

Electricity situation: In Southern Italy the drought situation is unchanged. The Silla reservoirs now have only 58 million KWH in storage. The current steam generation is 500,000 KWH daily. In Central Italy the drought situation is practically unchanged. Thermal generation has been raised from 100,000 to about 300,000 KWH daily. A meeting of the Advisory Committee on Electric Power for Northern Italy was held in Milan on 16 September. The electricity situation is good at the present time. The rationing scheme for next winter is being studied by the Italian Commissioner for electric power. A meeting of the Advisory Committee on Electric Power for Central and Southern Italy was held in Rome on 20 September. It was reported that more generating units will be reactivated in September and October, but very little or no benefit is expected from their operation until more water is available.

6. Col. Walker brought up the question of Capt. Vaughan's status. Lt. Col. Graves reported that Capt. Vaughan had been told by Col. Turner (Br.) that he was needed in Venezia Giulia, hence Capt. Vaughan was planning on making inquiries at A.F.H.Q. as to whether he was assigned to us. Col. Webster was of the opinion that he was assigned to G-5 British and there had been the possibility that he might be transferred to XIII Corps, but by doing this we would lose control over him. Col. Webster stated he would look into the situation.

The meeting adjourned at 1640 hours.

Carla Foster Sulpizio

Declassified E.O. 12356 Section 3.3/NND No. 785017

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CARLOS C. WEBSTER JR.
Lt. Col., FA.
Chief Staff Officer

Declassified E.O. 12356 Section 3.3/NND No. 785017

4021

HEADQUARTERS ALLIED COMMISSION
APO 794
Economic Section

Ref.: ES/1.27

16 September 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 16 SEPT. 1946

PRESENT:

Economic Section	Col. H. M. Walker Capt. Delos De John
CSM Branch	Lt. Col. F. C. Green
Food, Agriculture & A.M.G. Supply Branch	Lt. Col. Paul Graves
Transportation & Shipping	Lt. Col. A. H. Street

Meeting opened at 1600 hours. Col. Walker presided.

1. Col. Walker reported that Brig. Carr is no longer with this office since he has been appointed Acting Executive Commissioner in the absence of Brig. Lush who is on leave. Col. Walker stated that he had not been appointed as yet and he was acting in a temporary capacity. He also mentioned his time here is limited as he is due to return to the States possibly before the end of the year, but will atempt to hold the fort in the meantime. He stated that he will sign correspondence for Brig. Carr, Acting Vice Present for the present.

It was also stated that we should try to weed out as much paper work as is unnecessary.

2. Col. Walker reported that the coal situation shows no change from last week's report.

The POL situation remains the same--at about a 60 day level. In accordance with Article III (d) (iii) of the Supplementary Agreement of 19 January 1946, the Italian Government and the UNRRA Italian Mission have agreed to the following recommendations of the Joint Price Committee on POL Products.

	Old	New	
Gasoline (motor)	(23.00)	27.00	lire per litre
Kerosene	(20.45)	28.50	" " kg.
Diesel Oil	(21.00)	24.00	" " litre

All the above are retail prices and are effective as of 1 Sept. 1946.

On de-requisitioning, not much progress was made during the last week. Only the Magazzini Generali (General Warehouses) at Arquata Scrivia

Declassified E.O. 12356 Section 3.3/NND No. 785017

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All the above are retail prices and are effective as of 1 Sept. 1946.

On de-requisitioning, not much progress was made during the past week. Only the Magazzini Generali (General Warehouses) at Arquata Scrivia (Province of Alessandria) have been de-requisitioned by 6 SAD. However, this is very important for the traffic between the port of Genoa and Northern Italy.

The electricity situation is still grim. Droughts are still persisting in Southern Italy. The Sila reservoir storage is now 64 millions of KwH. 4,500 tons of fuel-oil have been allocated to Capuano steam plant for this month. An extra allocation of 2,000 more tons has not yet been received. The daily generation at Capuano is now about 500,000 KwH.

In Central Italy the drought situation is practically the same. Another 12,000 Kw natural steam unit has been reactivated at Castelnuovo. (The Lerderello Group).

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Generation at some thermal plants has been increased from 90,000 to 170,000 KWH per day (average), and most of this output is provided by steam units. Diesel units are operated only during peak-load time.

3. Col. Walker announced that Maj. Elliott is on leave and expects to depart for his home the end of the week.

4. Lt. Col. Greves reported that there was a slight decline in the wheat levels amounting to 1½ days' supply of bread and pasta during the week ending 14 September--from 128 days to 114 days.

The wheat stocks for bread on 5 September were sufficient to last until 4 February in Udine and in Venezia Giulia until 3 October. Wheat and flour stocks on the same date were sufficient to furnish pasta through December for Udine and through August for Venezia Giulia.

The S.S. Joan Lykes arrived at Venice on 12 September carrying 7,436 tons of flour. Approximately 2,000 tons of this flour have been shipped to 6 BSD Mestre as repayment of a flour debt due by Udine Province to the Italian Government, which on its turn is applied against the Italian Government's debt towards the British Army on midshift meals and DP's account. The remaining approximately 5,000 tons are destined to Venezia Giulia.

5. Col. Walker reported that Capt. Vaughan is here today, and Lt. Col. Greves stated that he did not know Capt. Vaughan's status, but announced that his work is important.

6. Col. Walker reported that Capt. Saul, Public Works officer in Udine, and Capt. Murphy, Finance Officer, are here on the matter of Public Works projects in Udine Province. It has been agreed between the Ministry of Finance and the Ministry of Public Works that the funds for Public Works in Udine will be released in one block and it will be the responsibility of the Provincial Commissioner there to approve the projects and see that they get started. The unemployment situation is rather acute there and work should start immediately to help relieve the unemployment situation.

Capt. De John commented on the inefficiency of the Message Center, and Lt. Col. Greves mentioned that an officer is being assigned to the Regt. with no definite assignment. He is an expert on army administration and it was suggested that he be put in charge of the Message Center. Capt. De John also stated that he was displeased with some of the translations that were being done in the Section.

The meeting adjourned at 1630 hours.

CARLOS O. WEBSTER JR.
Lt. Col., FA.
Chief Staff Officer

Declassified E.O. 12356 Section 3.3/NND No. 785017

94

HEADQUARTERS ALLIED COMMISSION
APO 794
Economic Section

Ref.: ES/1.27

16 September 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 16 SEPT. 1946

PRESENT:

Economic Section	Col. H. M. Walker Capt. Delos De John
CEM Branch	Lt. Col. F. G. Green
Food, Agriculture & A.M.G. Supply Branch	Lt. Col. Paul Graves
Transportation & Shipping	Lt. Col. A. H. Street

Meeting opened at 1600 hours. Col. Walker presided.

1. Col. Walker reported that Brig. Carr is no longer with this office since he has been appointed Acting Executive Commissioner in the absence of Brig. Lush who is on leave. Col. Walker stated that he had not been appointed as yet and he was acting in a temporary capacity. He also mentioned his time here is limited as he is due to return to the States possibly before the end of the year, but will attempt to hold the fort in the meantime. He stated that he will sign correspondence for Brig. Carr, Acting Vice Present for the present.

It was also stated that we should try to weed out as much paper work as is unnecessary.

2. Col. Walker reported that the coal situation shows no change from last week's report.

The POL situation remains the same--at about a 60 day level. In accordance with Article III (d) (iii) of the Supplementary Agreement of 19 January 1946, the Italian Government and the UNRRA Italian Mission have agreed to the following recommendations of the Joint Price Committee on POL Products.

	Old	New	
Gasoline (motor)	(23.00)	27.00	lire per litre
Kerosene	(20.45)	28.50	" " kg.
Diesel Oil	(21.00)	24.00	" " litre

All the above are retail prices and are effective as of 1 Sept. 1946.

On de-requisitioning, not much progress was made during the past

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In Central Italy the drought situation is practically the same. Another 12,000 Kw natural steam unit has been reactivated at Castelnuovo. (The Larderello Group).

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Generation at Rome thermal plants has been increased from 90,000 to 170,000 KWH per day (average), and most of this output is provided by steam units. Diesel units are operated only during peak-load time.

3. Col. Walker announced that Maj. Elliott is on leave and expects to depart for his home the end of the week.

4. Lt. Col. Graves reported that there was a slight decline in the wheat levels amounting to 14 days' supply of bread and pasta during the week ending 14 September--from 128 days to 114 days.

The wheat stocks for bread on 5 September were sufficient to last until 4 February in Udine and in Venezia Giulia until 3 October. Wheat and flour stocks on the same date were sufficient to furnish pasta through December for Udine and through August for Venezia Giulia.

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CARLOS C. WEBSTER JR.
Lt. Col., FA
Chief Staff Officer

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4021 P. Ec. Comm 82

HEADQUARTERS ALLIED COMMISSION
APO 794
Economic Section

[redacted]

13 SEP. 1946

Ref.: EA/1.27

10 September 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 9 SEPT. 1946

PRESENT:

Economic Section	Brig. M. Carr Capt. Delos De John
Industry & Utilities Branch	Col. H.M. Walker Maj. T. G. Elliott
CEM Branch	Lt. Col. F. C. Green Maj. F.C.C. Bates
Food, Agriculture & A.M.G. Supply Branch	Lt. Col. Paul Graves Lt. Col. R.R. Snapp Lt. Gilbert Mellin
Transportation & Shipping	Lt. Col. A.H. Street

Meeting opened at 1600 hours, Brig. Carr Presided.

1. Brig. Carr announced that he would continue the Economic Section Staff Meetings for the time being, until some other decision is taken.

He stated that papers should not be allowed to accumulate during the day and then sent along at closing time, but should be kept flowing.

In the future, Brig. Carr requested that officers call this office before coming to see him as he might be in conference, or engaged on some other matter from which he should not be disturbed, but stated that he was always glad to see his staff members and assist them.

Brig. Carr gave instructions for starting minute sheets on the files in this section. Each file coming up for action should have a minute sheet, which should be placed on the inner left hand side of the folder. The correspondence in the file should be numbered consecutively and also the minutes should be numbered consecutively.

Declassified E.O. 12356 Section 3.3/NND No. 785017

Industry & Utilities Branch	Col. H.M. Walker Maj. T. C. Elliott
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2. Col. Walker reported that the coal imports in Italy reached 911,000 tons for August, the highest figure since the end of the war. The shipments were made up as follows:

UNRRA	871,320	long tons
Military Cargoes	17,000	" "
Venezia Giulia	8,000	" "
Commercial	14,763	" "
	911,083	" "

UNRRA coal allocations were 540,000 tons for the month and the remaining 330,000 tons were to be used in building up the stockpile.

Sec n-83

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The September estimated arrivals of coal for UNRRA account are about 800,000 tons--600,000 tons of this have been allocated and the rest will go into stock.

92,185 metric tons of Sardinian coal were obtained in August.

There is little change in the POL situation, stocks remaining at about a 60 day level. The price of POL products has been raised since 1 September.

The electricity situation in Southern Italy is bad because of the critical drought, with the exception of Sila area the water flow is 20% less than the minimum reported during the past years. There are about 7½ millions of KWH in storage at the Sila reservoir.

No change is reported in the electricity situation in Central Italy. Thermal generation is about 90,000 KWH per day. The transformer at Magliana sub-station (Rome) is out of service, and thus limits the power import from the North. Repair will take about 2 weeks.

3. Maj. Elliott reported that he would be leaving in about two weeks and that Maj. Laughlin should return here about 1 November.

4. Lt. Col. Snapp stated that he was leaving tomorrow for the States, and that he had enjoyed working with all members of this section.

5. Maj. Elliott announced that only a school and insurance institute have been de-requisitioned this week, and that most of this work is for the postoffice.

6. Lt. Col. Snapp reported a slight decline in the wheat situation, amounting to 3 days' supply of bread and pasta during the first week in September.

As of 31 August the wheat stocks for bread in Udine were sufficient to last until 7 March and in Venezia Giulia until 3 October. Wheat and flour stocks on the same date were sufficient to furnish pasta through December for Udine and through August for Venezia Giulia.

. . . .

Approximately 8,200 tons of wheat and flour are due to arrive on the SS Niki about 14 September.

A new crop of sugar was distributed in August--about 5,225 tons. There may be a lack of distribution in some localities in September because of the shortage of railway cars. The railway car shortage may also affect the distribution of wheat.

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The High Commission of Food has allotted the following amounts of food to Displaced Persons Camps operated by UNRRA.

Sugar	30 tons
Preserved meat	30 "
Food. Milk	5,243 "
Corn Sirup	3,105 "

The following quantities of food have been distributed to Children's Colonies and other Welfare Feeding Agencies not operated by UNRRA.

Preserved Meat	46.5 tons
Canned fish	80.7 "

No significant change in the prices of uncontrolled foods were reported during the week.

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7. Lt. Col. Street reported that the first trainload of coal for Italy has left Poland. Also the Modane tunnel into France has been repaired and opened.

He commented on the acute wagon shortage. Committees have been set up with various Italian agencies in an attempt to coordinate the demand and supply. The French and Italian Governments are exchanging wagons so that each country may repair its own.

8. Brig. Carr brought up the question of whether Capt. Vaughan is needed in Venezia Giulia as he does not appear to be controlled by any Branch of this section, although at one time he was considered as coming under the Transportation and Shipping Branch. Lt. Col. Snapp reported that as Port Liaison Officer Capt. Vaughan is necessary there as a person is needed to check off the loads against the manifest. In several cases, valuable items as sugar have disappeared. Lt. Col. Street reported that Lt. Col. Scoggins who left for duty in Trieste in July was going to look into this matter, as Capt. Vaughan's services could be utilized in the Economic Section.

The meeting adjourned at 1645 hours.

DELOS DE JOHN
Capt., Infantry (Arm'd)
Staff Officer

Declassified E.O. 12356 Section 3.3/NND No. 785017

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

SEP 3

SEP 3 1946

Ref: ES/1.27

27 August 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 26 AUGUST 1946

PRESENT:

Economic Section	Brig. E. Carr Lt. Col.C.G.Webster Jr Capt.Delos De John Lt. Gilbert Mellin
Industry & Utilities Branch	Major T.G. Elliott
CFM Branch	Lt/ Col. J. .Campbell
Food & Agriculture Branch	Lt. Col. R.R.Snapp
Commerce (FT) Branch	Maj. G.A.F.Rothey

Meeting opened at 1600 hours. Brig. Carr presided.

1. Brig. Carr announced that he expected an order would be cut stating he would continue his duties as Acting Vice President of the Economic Section and also as Chief of the Civil Affairs Section, and that the two Sections will remain separate.

2. Brig. Carr requested that each Branch prepare a nominal roll of civilian employees, showing the name and classification and should turn it in to Lt. Col. Webster. These lists can be put in a folder, passed around frequently and any reductions or increases made can be clearly shown. Allied Civilian personnel should be shown on a separate sheet.

Brig. Carr announced that he was seeing all correspondence and when papers were passed out from the A/VP's office for action by Branches of the Economic Section 2 p 3 this action must be followed up to the final preparation of letter. It can be put, if necessary, in draft form (double space) for consideration but not in the form of notes for the drafting

ES/Activity sent to EC

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to be done in the V.P.'s office

3. Lt. Col. Campbell announced that only six releases had been handled this past week, and that there are 150 release notes still to be returned by ARAR to us. We have actually released the materiel to A.R.A.R., but have not receive the signatures.

Lt. Col. Campbell was instructed to discuss the question of collection of outstanding debts for salvage with the A/VP.

4. Lt. Col. Snapp reported that the wheat situation had remained stationary for the second consecutive week, the amassing and imports being approximately equal to the weekly consumption. If this balance can be kept through September the present bread and pasta rations will be covered until the middle of next February. The present stocks of flour are estimated to be sufficient to last for 135 days, or 1,680,868 tons and the amassing is still continuing.

Amassing - Collections during the week ending 22 August were 106,958 tons or nearly twice those of the previous week. The low figure reported last week is apparently due to the mid-summer holidays observed in many provinces on 15-16-17 August. Total collections to 22 August were 1,970,285 metric tons or 82.8 per cent of estimated goal.

Premiums of 300 lire previously paid to farmers for deliveries of wheat before specified dates to be continued if the wheat is deliveredwithin 8 days from the time it is threshed. In Northern Italy the priceNow paid for hard wheat per quintal is 2,900 lire, in Central Italy 3,000 lire, and in Southern Italy 3,150 lire. In Northern Italy the price now paid for soft wheat per quintal is 2,550 lire, in Central Italy 2,650 lire and in Southern Italy 2,800 lire.

The wheat stocks in Udine were 39,457 tons on 22 August or sufficient to support the present bread ration until 8 March and the pasta ration through December.

The wheat situation in Venezia Giulia is not very good as there is not much local wheat. There is sufficient wheat for bread to 3 October, but pasta flour only for the August issue. However, arrangements have been made to borrow 2,000

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tons of flour from Udine which will be paid back from the next shipment which is expected in September.

5. Maj. Elliott announced that the coal situation is good. The figures quoted last week of 700,000 tons for arrivals in August are expected to be met. 77 ships have been programmed for loading in U.S. ports and 48 of these have sailed up to 22nd August. Arrivals of coal from other sources are anticipate to be up to schedule.

Sardinian coal production up to 19 August amounted to 50,638 tons. This shows a drop over last month, but it can be accounted for by two days extra holiday in the same period.

The P.O.L. stocks are still satisfactory and remain at the 60 day level.

The agricultural institute at Macerata has been derequisitioned and also a villa at Senigallia.

6. Maj. Rothey announced that he had been receiving requests from the Ministry of Industry and Commerce and Ministry of Foreign Commerce to assist the Italian firms who have made contracts with German firms for supplying certain materials, for example generators, looms. Part of these materials have been partially paid for. Lt. Col. Campbell felt that in cases like these the debt was between two firms and did not concern A.C. Brig;Carr requested Lt.Col. Campbell and Major Rothey to discuss the matter further and it may be necessary to draft a letter to AFHQ to find out what the policy is.

7. Lt.Mellin reported that he was leaving for Venezia Giulia and Udine on 27 August.

8. Capt. De John commented on his difficult attempt to contact the various Italian Ministries. Col.Webster suggested that in the future if he would speak to the A.V.P's.office an appointment would be made for him in the name of the Economic Section and doubted if he would have any trouble.

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9. Brig.Carr Discussed in detail the minutes of the meeting with Col.Bright and asked that each member present follow up on certain matters contained therein.

The meeting adjourned at 1700 hours.

CARLOS G. WEBSTER JR.
Lt.Col. FA
Chief Staff Officer.

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HEADQUARTERS ALLIED COMMISSION
APO 794
Economic Section

Ref: ES/1.27

20 August 1946

AUG 24 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 19 AUGUST 1946

PRESENT:

Economic Section	Col. Charles W. Walton Lt. Col. C.G. Webster Jr. Capt. Louis De John Lt. Gilbert Mellin
Industry & Utilities Branch	Col. H.M. Walker Major T. G. Elliott
CCAI Branch	Lt. Col. J.W. Campbell
Food & Agriculture Branch	Lt. Col. R.R. Snapp
Commerce (FT) Branch	Maj. G.A.F. Rothoy
Transportation & Shipping	Lt. Col. A.H. Street
Public Relations Officer	Col. Montague Capt. Judinkin Brig. M. Carr

Meeting opened at 1600 hours. Colonel Walton presided.

1. Col. Walton announced that Capt. Judinkin is a successor to Col. Montague.

2. Col. Walton stated that this was his last meeting with the Economic Section as he would be leaving shortly for a new assignment and that it had been a great pleasure to work with each member present.

3. Brig. Carr announced that a proposal had been made that he take over Col. Walton's position in addition to his regular duties as Vice President of Civil Affairs Section.

4. Lt. Col. Snapp commented on the food surpluses in Venezia Giulia and Udine. The plan for handling Udine's surplus is satisfactory and AFHQ has been notified of it. Udine has made a careful inventory of stocks needed by ration card holders through 31 December, which amounts have been set aside for such issues. The balance will be supplied to the cooperative stores and to special classes. Venezia Giulia has made no decreases in its surpluses during the last two months and their present stocks of all items are larger than on 10 Jun

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5. Maj. Elliott reported that there has been no change in the coal situatic as outlined in last week's report. Approximately 700,000 tons are due to arrive this month as follows:

Ruhr coal	115,000 tons
U.S. coal	550,000 tons
South African coal	18,000 tons
Polish coal	15,000 tons
U.K. coal	10,000 tons
total	708,000 tons

(CAPT K)

2734
6/6/48

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There is a possibility of a cut in the September allocations from the Ruhr.

Sardinian coal production up to 11 August amounted to 30,826 metric tons, which is about the same as last month's figure for the same period.

The P.O.L. stocks remain at approximately the 60 day level.

The increase of prices for P.O.L. products is being investigated as the present prices are resulting in a loss.

The electricity situation in Southern Italy at the Capuano steam plant was increased from 150,000 to 300,000 KWH per day because of the bad situation of the hydroelectric plants and the necessity to maintain a sufficient water storage in the Sila reservoirs. In Central Italy droughts still persist and about 145,000 KWH are being imported from Northern Italy and may be continued through September. The situation in Northern Italy is normal.

6. Lt. Col. Snapp announced that the wheat situation is about the same as last week. Deliveries of wheat to the ammasso for the week were only 52,700 tons On 15 August the total collections were 1,863,327 metric tons, or 78.3 per cent of the initial goal. There are rumors now that the goal may soon be increased to 2,500,000 (now it is 2,379,352.)

The authority granted by the Ministry of Food for officers to buy olive oil in the olive producing sections has been repealed. Farmers who had complied with the ammassing decree claimed that they were discriminated against as they had received prices much below those in effect now. Consumers complained that the black market price of oil has increased due to heavy purchases of oil by the Provincial Food Officers.

The Deputy High Commissioner of Food, Dr. Sansone, presented Italy's 1946-47 cereal requirements to representatives of the UNRRA and their reaction was unfavorable. His report called for nearly 3,000,000 tons of imported cereal based on a ration of 250 grams of bread daily and 3,000 grams of pasta monthly. The Committee stated that Italy would be fortunate to receive one-half this amount of foreign grain.

Lt. Col. Snapp inquired from the Deputy High Commissioner about rescinding the restrictions on the military and civilians eating in public restaurants. Restrictions are being imposed on restaurants to limit the amount of food served, particularly the number of courses, and ration tickets must be turned in for pasta, bread, etc., so for the time being no action will be taken.

7. Col. Walton inquired how long it would require to turn all C.E.M. over to the Italian Government, providing we had the receipts, and should this decision be made. Lt. Col. Campbell stated it would take about two weeks.

8. Maj. Elliott announced that he expected the derequisitioning of a precision instrument factory in Rome once belonging to the Italian Army and als

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storage in the Sila reservoirs. In Central Italy droughts still persist and about 145,000 KWH are being imported from Northern Italy and may be continued through September. The situation in Northern Italy is normal.

6. Lt. Col. Snapp announced that the wheat situation is about the same as last week. Deliveries of wheat to the ammaso for the week were only 52,700 tons On 15 August the total collections were 1,863,327 metric tons, or 78.3 per cent of the initial goal. There are rumors now that the goal may soon be increased to 2,500,000 (now it is 2,379,852.)

The authority granted by the Ministry of Food for officers to buy olive oil in the olive producing sections has been repealed. Farmers who had complied with the ammasing decree claimed that they were discriminated against as they had received prices much below those in effect now. Consumers complained that the black market price of oil has increased due to heavy purchases of oil by the Provincial Food Officers.

The Deputy High Commissioner of Food, Dr. Sansone, presented Italy's 1946-47 cereal requirements to representatives of the USDA and their reaction was unfavorable. His report called for nearly 3,000,000 tons of imported cereal based on a ration of 250 grams of bread daily and 3,000 grams of pasta monthly. The Committee stated that Italy would be fortunate to receive one-half this amount of foreign grain.

Lt. Col. Snapp inquired from the Deputy High Commissioner about rescinding the restrictions on the military and civilians eating in public restaurants. Restrictions are being imposed on restaurants to limit the amount of food served, particularly the number of courses, and ration tickets must be turned in for pasta, bread, etc., so for the time being no action will be taken.

7. Col. Walton inquired how long it would require to turn all C.E.M. over to the Italian Government, providing we had the receipts, and should this decision be made. Lt. Col. Campbell stated it would take about two weeks.

8. Maj. Elliott announced that he expected the dorequisitioning of a precision instrument factory in Rome once belonging to the Italian Army and also of a food factory in Naples., the latter being promised for about the middle of next month.

9. 9. Lt. Col. Street announced there is a shortage of 3[illegible],000 wagons to move expected traffic for October as heavy traffic was expected including coal, wheat, sugar beet to the factories and Italian military traffic. He stated that he was attending a meeting at UNRRA the next day and would inform us of the results. It is expected that a Committee will be set up to fix priorities for use of wagons. It has been agreed to increase the sugar ration three times and the Italians claim they have sufficient. 300,000 tons is the estimated amount for this year.

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10. Col. Montague reported that the labor front is much quieter. The Italian Government has decided there will be no dismissals until 30 September.

11. Lt. Mallin announced that the 42 x 9 truck tire procurement had suffered a setback. Arrangements had been made for 1,000 of these tires and when we went to collect them from 557 BOD it was claimed that A.C. had moved them out in May. No such information has been found available upon checking with AR&R and AFHQ. In case these tires cannot be located Venezia Giulia/Udine will be in a difficult position. Col. Walton suggested that perhaps we could obtain tires f other parts of Northern Italy.

Requisitions for Venezia Giulia/Udine are being prepared for the first half of 1947 and requisitions under LAC Airgram 148 are being refined.

The exchange of blankets for raw cotton in Trieste with UNRRA is still in process. A letter has been written that the deal be approved, but as far as is known Col. Stephens has not received a letter from UNRRA.

12. Maj. Rothey stated that Venezia Giulia should get out a program of the Reserved Commodity List.

13. Col. Walton announced that he had prepared a memorandum to the Chief Commissioner in which he undertook to outline the remaining functions of the Economic Section, that this would be passed around for comments and a copy give to each Branch.

The meeting adjourned at 1700 hours.

CARLOS G. WEBSTER JR.
Lt. Col., FA
Chief Staff Officer

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CARLOS G. WEBSTER JR.
Lt. Col., FA
Chief Staff Officer

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Exec. Comm 75

[illegible] ALLIED CO IN JOC
JOC 754
ECONOMIC SECTION

Ref: ES/127

13 August 1946

AUG 19 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 12 AUGUST 1946

PRESENT:

Economic Section	Col.Charles W.Walton Lt.Col.C.G.Webster Jr. Capt.Delos De John Lt. Gilbert Mellin
Industry & Utilities Branch	Col.H.M. Walker Major T.G. Elliott
CEM Branch	Lt.Col. J.W.Campbell
Food & Agriculture Branch	Lt.Col. R.R. Snapp
Commerce (PT) Branch	Maj. G.A.F. Rothey

Meeting opened at 1600 hours. Colonel Walton presided.

1. Col.Walker reported that the coal situation in Italy is much better. The July arrivals from all sources totaled 522,000 tons. The August arrivals are expected to be 700,000 tons. At Venice and Genoa there is some congestion because of inability to clear from the ports owing to lack of rail cars. Sardinian coal production for July was 95,514 metric tons. One ship is due now from the Ruhr carrying coal.

There is no significant change in the oil situation. Stocks continue as at the present 60 day level.

In Sardinia about 80% of the electricity is being generated by steam plants (50% in normal times) because of the water shortage. In Sicily in 1946 about 50% of electricity will be generated by steam plants (45% is the average during the past few years). In Southern Italy the hydroelectric plant situation is still bad. The Sila reservoirs now have about 120 millions of KWH stored, as compared with the 190 millions in August 1945. The Carpano steam plant produces from 120 to 150,000

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Industry & Utilities Branch	Col.H.M. Walker Major T.G. Elliott
CEM Branch	Lt.Col. J.W.Campbell
Food & Agriculture Branch	Lt.Col. R.R. Snapp
Commerce (FT) Branch	Maj. G.A.P. Rothey

Meeting opened at 1600 hours. Colonel Welton presided.

1. Col.Walker reported that the coal situation in Italy is much better. The July arrivals from all sources totaled 522,000 tons. The August arrivals are expected to be 700,000 tons. At Venice and Genoa there is some congestion because of inability to clear from the ports owing to lack of rail cars. Sardinian coal production for July was 95,514 metric tons. One ship is due now from the Ruhr carrying coal.

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2. Lt.Col.Campbell reported that of the releases made by Headquarters from 1 January to 31 July, 40% were made during July. Most of the releases have gone well, although there has been delay on some, taking from 10 to 14 days to contact the people taking over the material from us.

3.a Maj.Elliott stated that 11 of the 12 grain warehouses in Macerata have been derequisitioned and 1 of the 3 warehouses in Venice has been derequisitioned; thus making a total of 12 grain warehouses that have been derequisitioned. There has been a good deal of work going on in Leghorn by PBS and we have taken the matter up with AFHQ and also the Public Relations Officer in Leghorn.

b Maj.Elliott stated he was not pleased with the system of having so many derequisitioning requests come through his office and suggested that the people might be routed through the Ministry of the Interior first,and if the Ministry should think the case justifiable,it could take it up with us. Col. Walton concurred regarding these individual owners,but not in the case of larger problems,as in the case of the hotels to AFHQ. Capt. De John also suggested that they might be sent to the Genio Militare.

4. Lt.Col.Snapp reported that the wheat situation is improving steadily due to the large collections made at the Ammasso. The total amassing to 9 August totalled 1,810,600 tons or over 76% of the tentative goal.

Estimates of the total production of all important crops have been published under the date of 7 August. The revisions have been upward in most all cases. The latest cereal estimates total 9,532,100 tons,compared with the 6,438,400 tons in 1945. This increase is equivalent to 386 ship cargoes of 8,000 tons each.

Most of the Prefects are taking advantage of the authority granted them to decrease the milling ration from 91 to 85 per cent. Bread made with the new flour should be available in Rome within the next few days.

The Government yielded to the flour,pasta and rice mill workers of the North and has agreed to allow employers to

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The Government yielded to the flour,pasta and rice mill workers of the North and has agreed to allow employers to pay their employees partly in kind.

Workers in	Daily for workers and each dependent
Flour mills	500 grs.Flour
Pasta factories	300 " of pasta
Rice mills	500 Kg.of rice plus
	2 Kg.of rice bran

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These amounts are in addition to the regular issues authorized on the ration cards.

Prices for olive oil have increased in the last few weeks. This is due to permission granted Northern Provinces to go to Southern olive producing areas and buy oil wherever they can find it. Official quotations for Rome and Naples are as follows:

	1st week May	2nd week July	1st week August
Rome	460	520	570
Naples	450	450	530

In the past few weeks there have been decreases in black market prices of ordinary bread and pasta in most Italian cities. In Rome during the first week in May Bread sold for 110 lire and pasta 160 Lire.

Col.Walton asked Lt.Col.Snapp to check with the High Commissioner of Food regarding civilians eating in Italian restaurants. A discussion followed and it was thought that this restriction should be lifted.

5. Maj. Rothey stated that a ship should be arriving shortly from Eritrea carrying supplies.

It was reported that after a visit from Col.Stevens the State monopoly has been clarified and is moving along through normal channels.

Maj.Rothey reported that Col. Hancock of Corto had discussed obtaining timber and caustic soda from Austria.

6. Maj.Rothey reported that many inquiries are coming in about property control matters and A.C. does not handle matters of this type. Lt.Col.Campbell announced that the Civil Affairs Branch has taken this over.

7. Lt.Mellin commented on the exchange of 60,000 blankets in Trieste for raw cotton. Col.Stephens is handling this and the matter seems to be moving along fine. As soon as confirmation

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7. Lt.Mellin commented on the exchange of 60,000 blankets in Trieste for raw cotton. Col.Stephens is handling this and the matter seems to be moving along fine. As soon as confirmation of this is received from AMG 13 Corps,The information will be transmitted to AFHQ.

8. Col.Walton commented on the repair of vessels in Italian yards and payment therefore. Any Allied vessel involved in occupation purposes must be repaired by the Italians who will stand back of the material and labor costs, but owners of Allied vessels not for occupation purposes would be obliged to pay

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for the material. AFHQ thinks that in this case there is no question as to who should pay for the labor costs.

The meeting adjourned at 1700 hours.

CARLOS G. WEBSTER JR.
Lt.Col. FA
Chief Staff Officer.

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HEADQUARTERS ALLIED COMMISSION
AFO 794
ECONOMIC SECTION

Ref: 1.27/ES

2 August 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 31 JULY 1946

AUG 9 1946

Correction to minute no.6

Major Laughlin steted that at the meeting of the Central Commission of the Italian Government for the Control of Power that a reduction in the allocation of power for August would have to be made for Central and Southern Italy. This is due to drought conditions effecting the output of the stream flow plants and is expected to last through the rest of this year, since the heavy rains do not start until late November. In Rome it is planned that the area will be divided into 6 sections and the reduction effected by shutting off power 4 hours out of each 24 in each section. The hours will be rotated each week. All industries are asked to reduce their power consumption by 15% below that used in June. Railroads, traction lines, hospitals, water systems and important food industries will be exempted.

CARLOS G. WEBSTER JR
Lt. Col. FA
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: 1.27/ES

31 July 1946

AUG 2 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 29 JULY 1946

PRESENT:

Economic Section	Col. Charles W.Walton Lt. Col. C.G.Webster Jr Capt. Delos De John Lt. Gilbert Mellin
Industry & Utilities Branch	Col.H.M. Walker Maj. L.V.Laughlin Maj.T.G.Elliott
CEM Branch	Lt. Col. J.V. Campbell
Food & Agriculture Branch	Lt. Col. R.R. Snapp
Transportation & Shipping Branch	Lt. Col. A.H. Street
Commerce (FT) Branch	Maj. G.A.F. Rothey
VG/Udine Sup. Opns. Branch	Lt. J.M. Arensberg

Meetingopened at 1630 hours. Colonel Walton presided.

1. Colonel Walton reported that the concensus of opinion, expressed in a paper from AFHQ following a discussion on the mid-shift meal for Italian civilian employees of the Allied Forces, was that the bread ration should be reduced from 11 ozs to 9 ozs. He asked Lt. Col. Snapp to check the figures set out in the paper from AFHQ against the known ration figures for Italian civilian employees, and also to submit a report on the table of allowances for the mid-shift meal for Italian employees of the Allied Forces. 2728

2. Colonel Walton asked each Director to study the letter "Requisition for War Department Civilians", dated 26 July 46 issued by 2675th Regiment. If U.S. War Department

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civilians are needed to replace officer or enlisted personnel in any Branch, proper requisitions should be submitted without delay.

3. It was announced that Lt. Durbor has returned to the United States, and Lt. Gilbert Mellin will take over his Personnel duties.

4. Colonel Walton stated that the problem of non-distribution of medical supplies turned over to ENDIMEA is again receiving attention. The plan submitted several months ago and acquiesed in by Public Health Sub-Commission has not gone forward. Efforts are now being made to get this plan into operation.

5. Colonel Walker stated there was little change in the coal situation. Arrivals expected for July still stand at about 450,000 tons. Allocations for August loadings are about 600,000 tons. It is reported that there have been a few small shipments of commercial coal imported in addition to allocations. Some 120,000 tons of coal have been received from the Ruhr during July Ruhr allocation for August is 116,000 tons, but this may not be filled because of the scarcity of coal in that area

Efforts are being made to have the coal requirements for Triestesupplied from Germany. Failing this the British and Americans will be asked to furnish the coal half and half.

The Polish delegation is now in Rome and negotiations are underway with the Italian Government for coal from Poland. This probably will be a barter agreement between the Poles and Italians, and no details of progress or the possible final settlement are available.

The VG/Udine coal supply is momentarily good, but the future outlook is unkown. Lt. Arensberg stated that three ships carrying coal have arrived during the last three weeks which places this region in good supply at the present time. Colonel Walton asked that Colonel Walker take up the matter of future requirements and supply with G-5, AFHQ, and arrive at some planned schedule.

There is little change in the POL situation. The 60 day level is still being maintained, and the critical situation

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existing in heavy motor lubricants has now been alle- through receipt of these products.

Settlement of the CIP strike resulted in raising the price of gasoline 2 lire per litre and kerosene and gas oil 2 lire per kilogram.

The problem of getting refining plants into operation, is the lack of storage place. None of the plants have adequate storage space for even a months operation and this is necessary before the plants are started up.

Colonel Walton requested that Colonel Walker contact Colonel Eyles about the problem of obtaining the necessary gasoline for Commander King-Hall's trip done through Italy. Colonel Walker will report directly to Colonel Walton so that the information may be passed to the Chief Commissioner. Eyles has made arrangements 7/31

The proposed cut of heavy fuel oil is now definite. There will be a 400,000 barrel cut in August which will necessitate the shuttling of oil from storage areas to areas of need. The Italians do not have proper tankers, but the British have offered two tankers, and the Italian Government is now negotiating for those tankers. In response to the question of Colonel Walton, Colonel Walker stated that UNRRA would not utilize balance of funds arising from the cut backs since the price on heavy fuel oil has doubled and no additional fund will be available.

6. Major Laughlin stated that the meeting on electric power resulted in a cut of 13% in the allocation of electric power as compared with June. This is due to drought conditions and will no doubt last through the rest of this year, since the heavy rains do not start until November. This reduction is due entirely to lack of kilowatt hours resulting from the drought. It is planned that in Rome the city wil be divided into 6 equal parts and the reduction effected by shutting off power 4 hours out of each 24 in each section. The hours will be rotated each week. Railroads and traction lines will not be affected.

7. Colonel Walton announced that Major Laughlin is leaving for TDY in the States. He expressed appreciation to Major Laughlin for his fine work in the Economic Section.

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existing in heavy motor lubricants has now been alleviated through receipt of these products.

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7. Colonel Walton announced that Major Laughlin is leaving for TDY in the States. He expressed appreciation to Major Laughlin for his fine work in the Economic Section.

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8. Major Elliott reported that the Alfa Romeo works at Bari has been derequisitioned. In response to a question by Colonel Walton, Major Elliott stated he felt it would be possible for him to combine the de-requisitioning work being done by Capt. De John with his own, thereby freeing Capt. De John for other duties in the Economic Section.

9. Capt. De John stated that the individual de-requisitioning requests that he has been receiving are falling off. The requests from the Foreign Ministry have also fallen off, but this is credited to the fact that the Italian Government has been holding back hoping for a change in AFHQ policy.

10. Lt. Col. Campbell stated that as a result of the AFHQ meeting he has received three draft copies of a proposed program for the disposal of CMI property.

11. Lt. Col. Snapp stated that the wheat situation is very good. The ammassi goal has not yet been announced. Udine reports enough flour on hand to last until 11 February. The Venezia Giulia report has not been received for this week. Last week they reported 4,000 tons of wheat on hand which would last about 40 days.

UNRRA and the Ministry of Food, as well as other interested Ministries, have formed a commission for the inspection of port warehouses. This should eliminate further problems of spoilage and wastage of food stored in warehouses. This commission has full authority for immediate sale or distribution of any foods in danger of spoiling. There is very little change in the price situation. The price of black market bread remains stable. There has been no report as yet from Trieste/Udine answering the assertions regarding the slow movement of food supplies.

12. Lt. Col. Street states that some new rail lines have been opened up in the sugar beet districts. These are very important just now because of the need for ready access to the sugar factories.

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13. In answer to Colonel Walton's question Major Rothey said he didn't think it would be advisable to close up Commerce Branch entirely, but with adequate clerical assistance he could move down to Economic Section and work on some of the more pressing financial problems in conjunction with his present duties

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14. Lt. Mellin submitted a tabulation on the numbers of Italian civilian employees in the Economic Section, together with the Branch Directors' reports on each employee and his duties indicating a 26% cut since 15 June. Colonel Walton expects to review these reports personally with each Branch Director.

Lt. Mellin stated that another translator will be needed for Economic Section. Colonel Walton instructed that there should be no hiring, but present personnel both in Economic Section, and if possible in other Branches, should be utilized.

The meeting adjourned at 1715 hors.

Carlos G. Webster Jr.

CARLOS G. WEBSTER JR.
Lt. Col. FA
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: 1.27/ES

24 July 1946
JUL 25 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 22 JULY 1946

PRESENT:

Economic Section	Col. Charles W.Wal Lt.Col.C.G.Webster Capt.Delos De John
Industry & Utilities Branch	Col. H.M. Walker Maj. L.W. Laughlin Maj. T.G.Elliott
CEM Branch	Lt. Col. J.A.Campb
Food & Agriculture Branch	Lt. Col. R.R.Snapp
Public Relations Office	Lt. Col. L.Montagu

Meeting opened at 1630 hours. Colonel Walton presided.

1. Colonel Walton stated that a new American Officer, Major Davey, was reporting to Economic Section for a short period of time and that it was proposed to send him to Bolzano to assist Lt. Col. Horn on CEM work.

2. Colonel Walton requested that Lt. Colonel Snapp make a report on A.C.'s total wheat imports during 1945 and the early part of 1946, including imports under FEA's program.

3. Colonel Walker reported that the CIP strike ended

Declassified E.O. 12356 Section 3.3/NND No. 785017

PRESENT:

Economic Section	Col. Charles W.Wal Lt.Col.C.G.Webster Capt.Delos De John
Industry & Utilities Branch	Col. H.M. Walker Maj. L.W. Laughlin Maj. T.G.Elliott
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2. Colonel Walton requested that Lt. Colonel Snapp make a report on A.C.'s total wheat imports during 1945 and the early part of 1946, including imports under FEA's program.

3. Colonel Walker reported that the CIP strike ended Saturday afternoon, and that most workers were back on the job today.

The coal situation has improved, the estimated arrivals for July now standing at 450,000 tons instead of the 400,000 tons reported earlier. The ECO allocation for the period 29 July to 1 September is 596,500 tons plus 30,000 tons

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from Poland. This is exclusive of military arrivals.

There is an estimated 60 days' supply of fuel oil stocks in Italy. This is approximately 800,000 barrels.

4. Major Elliott reported that a paper plant at Torentino has been derequisitioned during the past week. The in-flow of applications for derequisitioning appear to be dropping off.

5. Lt. Colonel Snapp stated that the food situation is good for the time being and should remain good for the next several months. It is estimated that at the moment Italy has enough wheat to last until 31 October. Up to 20 July, taking the harvesting, stock on hand, arrivals to 20 July, and ships now on the water, the total wheat supply is 1,315,998 tons. This would allow for continued ration of 250 grams of bread and 2,000 grams of pasta thru October.

UNRRA has now given consent to the use of powdered skimmed milk in making bread so that the supply of powdered skimmed milk should be used up by 31 August

There is an acute shortage of dried vegetables, except in Udine/Venezia Giulia, and powdered soup is now being used in welfare rations as a substitute for dried vegetables.

The new sugar crop is expected to be ready in September. A good crop is anticipated. Tentative plans are to increase the ration to 200 grams in August and to 300 grals in September.

The food situation in the Venezia Giulia/Udine region is very good. Lt. Col. Snapp has just returned from an in-spection trip and stated that there were large stocks of [illegible] to be used immediately in order

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The food situation in the Venezia Giulia/Udine regio is very good. Lt. Col. Snapp has just returned from an in - spection trip and stated that there were large stocks of imported goods that would have to be used immediately in order to prevent spoilage. Lard was especially plentifull. Lt. Col. Snapp stated that steps are now being taken to reduce this stock piling through increased rations, lowered prices, and to make this food available for use in industrial messes. He also intends to go to AFHQ, G-5 Section this week for a conferenc with the possibility of cancelling further shipments until the present supply has been disturbed. Colonel Walton asked Lt.

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Colonel Snapp to give him a complete itemized report of stocks on hand, total tonnages, amounts necessary for ration allowances, etc.

Another problem reported by Lt. Colonel Snapp in the VG/Udine area is the recent shortages in the deliveries from ships unloaded in this zone. This has apparently been due to insufficient supervision and checking of the ship's manifest prior to unloading. Corrective steps are now being taken.

6. Lt. Colonel Campbell stated that there is still a lot of CEM material coming in from AFHQ, 3 District and especially vehicles from PBS. Some of these vehicles are not in very good condition. ARAR has taken over the PBS vehicles, but are now reaching the point where they state they would rather not take over certain materials when it is in isolated districts and hard to get to. Lt. Col. Campbell pointed out to ARAR that they were obligated to take all material turned to them, that is to sign for it at least whether they actually collected and made use of it or not.

7. Capt. De John stated that AFHQ has advised that the Villa Maria Pia in Naples will be derequisitioned, and that the Palace Capo di Monte will not be requisitioned.

8. Colonel Walton reviewed the status of the files of each Branch. Most of the directors reported that the team of American soldiers had already been working on these files.

9. Colonel Walton referred to Office Memorandum No. 8 of 8 July 46, on correspondence and filing, and asked that all Directors familiarize themselves with it. Questions on deviation and non-compliance with this memorandum whould be taken up through Lt. Durber.

10. All liaison group have closed except Bolzano and Teodo. There are to be four officers stationed at Sub-Area

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2729

10. All liaison group have closed except Bolzano and Tenda. There are to be four officers stationed at Sub-Area Headquarters in Venice; 1 Officer at Tenda. The Bolzano group is scheduled to close as of 31 July except for 1 DP officer and 1 CMM Officer.

11. Colonel Walton reminded all Directors that he expects to receive, as soon as possible, their personal reports on the civilian personel employed in each Branch. Upon receipt of these reports Colonel Walton will review the situation personally with

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each Director.

12. Lt. Col. Montague asked for a re-count on the number of Weekly Bulletins needed for Economic Section. It was decided that 20 copies would suffice.

The meeting adjourned at 17:10 hours.

CARLOS G. WEBSTER JR.
Lt. Colonel, FA
Chief Staff Officer

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4021

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Exec. Comm 65

Ref: 1.27/2S

17 July 1946

JUL 18 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 15 JULY 1946

PRESENT:

Economic Section	Col. Charles W. Walton Lt.Col. Carlos G.Webster,Jr. Capt. Delos De John Lt. J.W. Durber
Industry & Utilities Branch	Col. H.M. Walker Maj. L.W. Laughlin Maj. T.C. Elliott
CHM Branch	Lt.Col. J.A. Campbell
Commerce (PT) Branch	Maj. G.A.F. Rothey
Transportation & Shipping Branch	Lt.Col. A.H. Street
WC/Saline Sup. Opns. Branch	Lt. J.M. Arensberg
Public Relations Office	Lt.Col. L. Montague

Meeting opened at 1630 hours, Colonel Walton presided.

1. Colonel Walton requested that Lt. Arensberg report before Tuesday on the results of the Ammassi to date. It is expected that the Italian Government will announce the Ammassi goal within two weeks.

2. Colonel Walton asked that Branch Directors in sending cables to AFHQ conform with latest instructions and not include "Attention of" in the address of the cable.

3. Colonel Walton pointed out that the Daily Bulletin has gone into some detail about the necessity of reducing Italian civilian employees of Allied Commission. It is requested that present personnel be reduced before new hirings made. All Branches are expected to cooperate in this further cut.

2719

4. Colonel Walker reported that there have been no changes in oil supply stocks, but expected deliveries of fuel oil have been cut from 600,000 barrels to 20,000 barrels. This means that conversion of Northern industries from coal to oil will be impossible. There is no change in the position on coal. Estimated arrivals of coal for July stand at 400,000 tons. Ruhr coal is coming in very slowly. The CIP strike remains unsettled.

5. Lt.Col. Campbell reported that the Milan Office is cutting down

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	Maj. T.C. Elliott
CMI Branch	Lt.Col. J.A. Campbell
Commerce (PT) Branch	Maj. G.A.P. Rothey
Transportation & Shipping Branch	Lt.Col. A.H. Street
VC/Udine Sup. Opns. Branch	Lt. J.V. Arensberg
Public Relations Office	Lt.Col. L. Montague

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5. Lt.Col. Campbell reported that the Milan Office is cutting down and making progress toward final closing. Closing held up temporarily.

6. Major Elliott reports that some progress is being made in dorequisitioning.

Capt. De John stated that AFHQ has replied to the Executive Commissioner's letter suggesting a central de-requisitioning board. At the present AFHQ is not in favor of such a plan. A new request is being forwarded to AFHQ, which, it is hoped, will bring some affirmative action.

7. Lt.Col. Street reported that ENAC is closing down and its functions will be assumed by the Ministry of Transport.

8. Colonel Walton suggested that all Branch Directors obtain appointment to meet new Italian Ministers. Colonel Walton will be glad to accompany Directors for this meeting.

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9. Major Rothey reported that Lt.Col. Stevens from the VG/Udine district will be in Rome tomorrow to discuss problems on trade and the Reserved Commodity Lists.

10. Lt.Col. Snapp's written report shows a slight reduction in the cost-of-living this week. The total wheat availability this date is 1,270,000 tons.

11. Colonel Walton stated that he had no further information regarding the future plans for Economic Section of Allied Commission.

12. Lt.Col. Montague stated that a general strike of all printers is expected this week, in which case only Union Jack and Allied Commission's Weekly Bulletin will be published.

The meeting adjourned at 1700 hours.

CARLOS G. WEBSTER, Jr.,
Lt.Col., FA
Chief Staff Officer

2718

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4021 AFI

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REF: 1.27/EC.

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

8 July 1946

JUL 11 1946

PRESENT: MINUTES OF THE ECONOMIC SECTION

Economic Section	Col. C.W. Walton Lt.Col. C.G. Webster, Jr. Lt.Col. R.E. Horn Capt. Delos De John Lt. J.W. Durber
Industry & Utilities Branch	Col. H.M. Walker Maj. L.W. Laughlin Maj. T.G. Elliott
Food & Agriculture Branch	Lt.Col. R.R. Snapp
CEM Branch	Maj. F.C.G. Bates
Commerce (FT) Branch	Maj. G.A.F. Rothey
Transportation & Shipping Branch	Lt.Col. A.H. Street
VG/Udine Sup Opns Branch	Lt. J.M. Arensberg Lt. G.V. Mellin
Public Relations Office	Lt.Col. L. Montague

Meeting opened at 16:30 hours, Colonel Walton presided.

1. Col. Walker reported that the P.O.L. stocks remain about the same as for last week, as follows:

2717

Motor gas	60 days' supply
Kerosene	70 days' supply
Fuel Oil	60 days' supply
Gas Oil	60 days' supply

Heavy motor lubricating oil has been in short supply both for civilian and Italian army vehicles, but information has been received of recent shipments which should relieve the situation on arrival.

Some industries in Northern Italy are converting from coal fuel to fuel oil, especially in the sugar refining and canning industries.

Negotiations between the Workers' Committee, C.I.P. and interested Ministries, regarding workers' pay, are being continued, but it is not expected that there will be a final decision until formation of the new government.

The coal stocks as of 1 July were 350,000 tons, estimated arrivals

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	Maj. T.G. Elliott
Food & Agriculture Branch	Lt.Col. E.R. Snapp
CEM Branch	Maj. F.C.G. Bates
Commerce (FT) Branch	Maj. G.A.F. Bothey
Transportation & Shipping Branch	Lt.Col. A.H. Street
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The coal stocks as of 1 July were 350,000 tons, estimated arrivals were 400,000 tons, allocations for the month are 475,000 tons, and the estimated stock as of 1 August 275,000 tons. Sardinian coal production was 77,975 tons, a drop of 11,000 tons under May production, and this was due to the fact that some of the miners stayed home to harvest their crops. It is hoped that production will reach 85,000 tons in July.

2. Major Laughlin reported that the power station reservoirs of Northern Italy are now 64% of being filled. This places them in a position similar to that which existed at this same time last year. Melting snows in the Alps will continue to fill the reservoirs during the months of July, August and September.

The Ministry of Treasury of the Italian Government has asked reconsideration of the proposed autostrada between Trieste and Tarvisio as they feel that too much money is involved and that at present transport requirements are being met by the railroads; also that the money is required for more urgent rehabilitation works in other parts of Italy. This matter has

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been forwarded to AC XIII Corps for necessary action. G-5 AFHQ and AMG Udine Province have been informed.

3. Maj. Elliott stated that the Eternit plant, taken over by the American Ordnance over two and one-half years ago, is being moved out of. The timber plan in Udine, cutting 1,000 tons a month, is going on for another three months.

4. Lt.Col. Snapp reported that the food situation seems to be good, according to UNRRA. There have been some riots in northern cities in Italy as they want more bread. The Government has not yet authorized an increase in the bread ration. There is plenty of wheat for the time being and there is still time for a good rice crop. Venezia Giulia reports there is a 35% increase of wheat in the area.

5. Lt.Col. Street reported that sufficient coal is available to restore all services on the State Railways from 1 July. Extra coal is not needed. The line between here and Leghorn is not electrified all the way.

6. Lt. Arensberg reported that 2 cereal ships are in port, one in Venice and the other in Trieste, and a third should arrive soon. Also one coal ship has arrived and two are expected shortly. AFHQ has ordered that the 42 x 9 tires be released.

7. Col. Walton reported that not much of a change has been shown in the files being turned in for archives. Food and Agriculture Branch are still working in theirs and Industry and Utilities are about 65% ready.

8. Lt.Col. Webster reminded all officers that the monthly reports are due by 10 July.

9. Col. Walton stated that a letter had been received from Sir Quinton Hill, British Embassy, thanking us for the meeting he attended at AC. He wishes copies of all translated Italian Decrees, which will be furnished as far as possible.

Col. Walton reported that there were no new developments in the reorganization of AC.

Meeting adjourned at 17:00 hours.

CARLOS C. WEBSTER, Jr.,
Lt.Col., FA
Chief Staff Officer.

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

REF: 1.27/ES.

1 July 1946

JUL 5 1946

MINUTES OF THE ECONOMIC SECTION

STAFF MEETING HELD 1 JULY 1946

PRESENT:

Economic Section	Col.C.W.Walton Lt.Col.Carlos G.Webster,Jr. Lt.Col.R.E.Horn Capt.Delos De John
Industry & Utilities Branch	Major L.W.Laughlin Major T.G.Elliott
CCS Branch	Major Bates
Transportation & Shipping Branch	Lt.Col.W.F.Scoggins
Commerce (PT) Branch	Major G.A.F.Rothey
Food & Agriculture Branch	Lt.Col.R.R. Snapp
VG/Udine Sup.Opns.Branch	Lt. J.M. Arensberg Lt. Gilbert Mallin
Public Relations Office	Lt.Col. L.Montague

Meeting opened at 16:00 hours, Colonel Walton presided.

1. Colonel Walton stated that there were no announced changes in plans for future operations of Allied Commission.

2. Lt.Col.Snapp reported that the food situation in Italy at the present time is excellent. During the month of June some 300,000 to 400,000 tons of the new wheat crop had been delivered to the Ammassi. The price of wheat delivered to the Ammassi is much higher this year, and therefore much more effective insofar as obtaining early deliveries. The price with bonus, up to July 10 is about 3,000 lire per quintale for soft wheat and a little more for hard wheat.

Decision has been made to restore the 2,000 grams pasta ration for July.

2716

At the present time there is no thought of repaying diversions, since these diversions were made when the UNRRA import program fell considerably behind schedule.

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Sugar shipments will be greatly delayed, according to the last repo[illegible], but the 100 gram sugar [illegible]ation will be continued during July.

Col.Snapp reported that a study of the 10-day reports submitted by Venezia-Giulia/Udine over the last 120 day period indicate that the stocks of food on hand and being unloaded now will be enough, if they continue to issue at the same rate as during the last four months, to last nearly a year. This includes such items as meat, fish, milk, fats and oils, dried vegetables and powdered eggs. It is felt that some action should be taken to avoid spoilage of this food in the warehouses. Col.Walton directed that Lt.Col.Snapp give this matter his attention, and if necessary make an inspection trip to Venezia-Giulia/Udine.

Col.Snapp also reported that some food shipments marked for Allied Commission and stored in Naples were completely lost by spoilage. Col.Walton directed that Col.Snapp clear this situation up through UNRRA and the Italian Ministry of Food, since such food shipments have been turned over to UNRRA and the Italian Government and they should not be allowed to assume that the food is A.C.food and let it rot in the warehouses.

It was reported that prices have not changed much.

3.Major Laughlin stated the POL situation was about the same as last week.

Motor gas	60 days'	supply
Kerosene	70 "	"
Fuel Oil	60 "	"
Gas oil	60 "	"

There are some indications that the informal meetings held by CIF and the employees' association are making headway and it is hoped that complete settlement will be negotiated.

The production of coal for Sardinia for the month of July will be approximately 73,000 tons. The actual arrivals of coal in June were 129,550 tons. Stock on hand as of 1 July is 370,000 tons, estimated arrivals during July, 450,000 tons; permitted allocations for July 475,000 tons.

Allied Commission has received information concerning the final agreement on power between France and Italy. The areas of Prigo and Tenda Valleys which are reported to go to France will include the hydro plants situated in those areas. It is

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reported that France, however, is to insure that a part of the power output from the plants involved will continue to go to Italy.

4. Major Elliott reported that a tobacco warehouse at Lecce has been derequisitioned during the past week. G-5, AFHQ has confirmed that the U.S.Navy is to take over the Ansaldo plant. Navy Sub-Commission is inquiring into this matter.

5. Capt. De John stated that his work on derequisitioning is limited to derequisitioning other than industrial properties. At the moment his work is largely that of liaison between the requesting party and the military authority. Col. Walton asked that Major Elliott and Captain De John review their activities to determine where, if possible, coordination and consolidation of their activities could be arranged.

6. Lt. Arensberg stated that two coastal ships are due to arrive in Venezia-Giulia/Udine this week. He is suggesting that they follow allocation's made on ship's manifest.

A coal ship is due to arrive from the U.S. about 6 July. No further reports have been received regarding coal shipments from the Ruhr. Notification has been received that loading of Ruhr coal would start about 4 July.

POL allocations have been made by the U.S.T. for Venezia-Giulia XIII Corps for 1000 tons of fuel oil. AFHQ has instructed that AMG Udine get their supply from XIII Corps on loan ponding reply from Washington. No answer has been received, but this will be followed up.

7. Col.Walton stated that Lt.Col.Scoggins, Director of the Transportation & Shipping Branch is to leave the Economic Section for duty in Trieste. He expressed appreciation to Col.Scoggins for his services. Col. Walton asked that Col. Scoggins and Col. Snapp try to make an arrangement whereby XIII Corps would supply its own man for the Port Division work, thus relieving Capt.Vaughan, Transportation Officer, A.C. for duty here.

8. Major Bates stated that Major Roberts will be leaving the Milan Office of CMI shortly, and Major Strachen-Audas is going on leave to England sometime this week. Lt.Warren will

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be in charge of the Milan Office. Inasmuch as the Milan Office is due to close within a few days Major Bates said he would like to send the Chief Clerk from Rome to Milan to assist in preparing the files for shipment to Rome. Col. Walton concurred.

9. Lt.Mellin submitted the charts showing status of the files of all Branches. Col.Walton enjoined all Directors make every effort to get their files ready for turn-over to Archives.

10. Major Rothey stated that the determination of the items for import into Venezia-Giulia is a major problem at the moment. Reserve Commodity Lists have again been furnished XIII Corps and it is hoped that within a short time this matter will be resolved.

Meeting adjourned at 16:45 hours.

Carlos G. Webster, Jr.
CARLOS G. WEBSTER, JR.
Lt.Col., F.A.
Chief Staff Officer.

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HEADQUARTERS ALLIED COMMISSION
AMG 794
ECONOMIC SECTION

Ref: 1.27/ES

24 June 1946

JUN 27 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 24 JUNE 1946

Present:

Economic Section	Col. C. W. Walton Lt. Col. R.E.Horn Lt. Joseph W. Durber
Industry and Utilities Branch	Major L.W. Laughlin Major T.G. Elliott
CCS Branch	Lt. Col. J. A. Campbell
Transportation and Shipping Branch	Lt. Col. W.P. Scoggins
Commerce (FT) Branch	Major G.A.F. Rothey
VG/Udine Sup. Ops. Branch	Lt. J.M. Arensberg Lt. Gilbert Mellin

Meeting opened at 16:00 hours. Colonel Walton presided.

1. Col. Walton asked if there were any business that should be carried forward from last week's meetings. Maj. Laughlin pointed out that he wanted to correct the figure given in sub-paragraph 2, paragraph 8, of the minutes of 17 June 1946 pertaining to the storage reservoir position in central Italy from 6 million to 12 million. The figure of 6 million KWH was the position on 1 April 1946 and 12 million KWH is the present position.

2. Col. Walton commented on discussions held last week concerning AC's functions ceasing and the creation of a newly named section of AFHQ in Rome. Whereas AC acted in an advisory capacity to the Italian Government, there may now be a consolidation of the 3 sub-commissions under one head, with a group whose job it will be to carry on supply functions for A.M.G. territory, supply functions as regards non military such as food, supply for displaced persons, channel for finance

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9/ (CFT ULT)

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9. Lt.Col. Scoggins said that it is expected that the rail line from Bologna to Padova will open 1 July giving a direct rout to Venice.

10. Lt. Barber reported that American officers in Rome Naples, Udine, and other territories should check with the Central Dispatch office in each city before departure as often military personnel will be coming to the same destination and there might be available space. Written directive to follow.

11. Major Rothey reported on the fruit and vegetable situation. USFET stated that a contract for supply of fruits and vegetables for Austria had been held up at Bolzano, but it has never been clarified. MTOUSA knows about this contract and asked that a weekly shipment of 1,100 quintals be cleared. The method of payment will be reopened and Major Rothey reported that a letter is being prepared on the history to send to MTOUSA. There is a possibility of non-shipment of these goods and second, non-payment of wines and spirits shipped to Germany.

12. Lt.Arensberg, in Lt.Col.Snapp's absence, reported that the harvest has improved. 141,000 tons are the estimated stocks on hand for 1 July and the arrivals are 80,000 tons. The prices do not seem to change much.

13. Col. Walton reported that with the HQ Commandant he had visited the AC mess and that it was adequate insofar as the social one; the females probably do not enjoy eating downstairs as the laborers are fed first. Many of the young women do not eat down there. Under the circumstances, the mess is not as bad as we thought it was last week.

The meeting adjourned at 4:45 P.m.

CARLOS S. WEBSTER
Lt.Col. FA.
Chief Staff Officer.

2711

Declassified E.O. 12356 Section 3.3/NND No. 785017

4021 / 58 Exec. Comm. 58

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: 1.27/ES

24 June 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 24 JUNE 1946

JUN 27 1946

Present:

Economic Section	Col. C. W. Walton Lt. Col. R.E.Horn Lt. Joseph W. Barber
Industry and Utilities Branch	Major L.T. Laughlin Major T.G. Elliott
CCN Branch	Lt. Col. J. A. Campbell
Transportation and Shipping Branch	Lt. Col. W.P. Scoggins
Commerce (FT) Branch	Major G.A.F. Rothey
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2712

9/ (DFT OK)

Declassified E.O. 12356 Section 3.3/NND No. 785017

questions, and commerce between AMG and the Italian Government and between AMG and other nations. Under this there are tentatively provided 9 American and 9 British officers which would result in about the same strength as the Econ. Section, except that now we do have more than 9 British officers.

3. Major Rothney commented on a newspaper article regarding the 4 Embassies taking over 3 months after the signing of the peace treaty in Paris.

4. Col. Walton inquired if any officers or branches had outside telephone lines and the response was negative.

5. Col. Walton inquired if each Branch is working on files for the archives. Response affirmative. Maj. Laughlin reported that Public Works and Utilities files could be ready in a day's time. CEM Branch is about 40% ready and Supply Operations can turn in its files very soon. Lt. Barber reported that there are some enlisted men available for helping on the files and Col. Walton suggested that this matter be mentioned to Lt. Col. Snapp as he needs assistance on his files.

6. Major Laughlin reported that the P.O.L. situation remains the same as for last week with the exception of gas oil which has been increased from 45 to 60 days' supply. This increase now places all P.O.L. stocks in a satisfactory condition.

With regard to the C.I.P. petroleum workers' strike, conferences have been held and a formal meeting is to take place at the end of June 1946.

The coal allocations for July are set at 390,000 tons. This compares with the June allocations totaling 425,000 tons.

It is expected that 30 ships will be cleared from U.S. ports during the second half of June, which equals approximately 200,000 tons. The target for June is 389,000 tons and the target for July is 365,000 tons.

7. Lt. Arensberg reported that USFET had contacted Washington saying they were loading 4 ships of coal from the Ruhr for V/C requirements-- about 32,000 tons.

8. Major Elliott commented on the threatened disqualifioning of the Ansaldo works; also that Major Polish plants are clearing out and disbanding.

Declassified E.O. 12356 Section 3.3/NND No. 785017

9. Lt.Col. Scoggins said that it is expected that the rail line from Bologna to Padova will open 1 July giving a direct rout to Venice.

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The meeting adjourned at 4:45 p.m.

CARLOS G. WEBSTER
Lt.Col. FA.
Chief Staff Officer.

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Declassified E.O. 12356 Section 3.3/NND No. 785017

ECONOMIC SECTION 4021

Ref: 1.27/E3

17 June 1946

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MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 17 JUNE 1946

JUN 21 1946

Present:

Economic Section	Col.C.W.Walton Lt.Col.C.G.Webster Lt.Col.R.E.Horn Lt.Joseph W.Durber
Industry and Utilities Branch	Major L.W.Laughlin Major T.G.Elliott
CEM Branch	Lt.H.D.Phillips
Transportation and Shipping Branch	Lt.Col.W.P.Scoggins
Food & Agriculture Branch	Lt.Col.R.R.Snapp
Commerce (FT) Branch	Major G.A.F.Rothey
VG/Udine Sup. Oprs. Branch	Lt.J.M.Arensberg Lt.Gilbert M.Mellin
Executive Commissioner's Office	Capt.Delos DeJohn

Meeting opened at 16:00 hours.Colonel Walton presided.

1. Col.Walton asked for a report on the Italian Government's provision of guards for property taken over from the British and U.S.Army surplus. Lt.Col.Horn stated that a full report was to be submitted by the Italian Government tomorrow,but that at the moment it does not appear that the Government will be able to furnish sufficient guards.

2. Col.Walton called to the attention of all Branch heads a recent report issued by UNRRA covering the last year's operations. Col.Webster is to obtain additional copies and have them distributed to the Branches.

3. It was reported by Col.Walton that AFHQ has stated they will no longer advance food to Displaced Persons,and that AFHQ has directed us to advise the Italian Government to this effect and get the Italian Government to deliver the requirements prior to the beginning of the succeeding months. Colonel Snapp is to discuss this matter with Colonel Finley and take the necessary action.

4. Lt.Arensberg stated that a history has been written and submitted to Colonel Walton covering the activities of the VG supply line. It shows that on food about 50% of the wheat and flour,which comprises 5/6ths of the tonnage,has actually arrived. The supply of coal is very low. On the whole it is not a very good picture.

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The recent loan of coal to VG from the Lou Gehrig has been negotiated.

5.Colonel Walton stated AFHQ is again questioning position that VG can't use powdered eggs and requesting investigation. Colonel Snapp was asked to look into the previous disposition of this question and make a proper report.

6.Colonel Webster stated that all monthly reports have been received.

7.Major Campbell reported that in the past week a large jam factory in Naples has been dorequisitioned,and a service station has been dorequisitioned,in Sorrento.

8.Major Laughlin stated that the POL situation is practically the same as last week except that the gas oil supply has risen from 30 to 40 days' supply. There is no new information with regard to the CIP strike. The importation of coal is indefinite. The only information available is that shipping has not yet normal since the ending of the coal strike in the States.

The storage reservoir of power in the North,as brought up at the last meeting,is 680 millions as of 2 June which represents 55% of the storage capacity in Northern Italy and is therefore considered better than average. Major Laughlin stated that this storage will continue to increase. Southern Italy has reached its peak and is now starting on a decline. The position in Central Italy is 6 millions on hand, which is low, but the supply from North Italy and the new units which will soon be working will help to offset the deficiencies. Under the present conditions it is anticipated that power will have to be rationed again this winter in Central and Southern Italy.

Major Laughlin reported that at the meeting with the Army and Navy on armament factories there were no specific conclusions. The Services had all made returns on Italian factories that had been producing armaments. The Air Forces said all of their could be converted to peacetime uses: the Army said not all; the Navy wasn't sure. A letter is being drafted for the Chief Commissioner requesting expert technical assistance is a more detailed report is required.

9.Col.Snapp stated the food situation has not changed a great deal. The harvest is moving along and the new wheat is now available. UNRRA expects a shipment of 20,000 tons of sugar to be loaded in June and July which they say will enable a raising of the ration and will carry them through until the sugar crop is available here in November. The estimates on the sugar crop have been reduced because of [illegible] good seed,but the crop,it is estimated,will still be sufficient to maintain the 200 gram ration.

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Orders have been given to have all stored food in port warehouses moved to the Provinces for distribution.

Colonel Walton asked Colonel Snapp to inquire at UNRRA regarding the amassing plans and development of a distribution system which is under discussion now with UNRRA's regional staff.

Colonel Snapp stated that the decree has been passed maintaining the same family retentions on all cereals except rice which has not yet been announced.

The Ministry of Agriculture is now taking steps to provide proper seed supplies for next year's crops. The Ministry also reports that the farm machinery and AC tractors which had been in storage have all been distributed and are in use. This was accomplished through the Consorzio and not through local distributors. Some 40 tractors remain in a central pool. There is to be a demonstration of American farm machinery at Bologna next Sunday. Colonel Snapp will attend this meeting and make a report.

It is reported that the grasshopper damage in Sardinia is relatively small and that the control measures taken by UNRRA were most effective.

Colonel Snapp stated there have been complaints from his civilian employees regarding the AC Mess, and he asked that some action be taken to try and improve the conditions.

UNRRA is reporting to Colonel,Snapp, from time to time regarding RA supplies received in ports on which no notice has been received. Colonel Walton directed Lt.Arensberg to go into this matter with Colonel Snapp and UNRRA and try and get full details and information to regulate shipment and distribution of these supplies.

10. With regard to the AC Mess Colonel Walton asked Capt.DeJohn for any information available. Capt.DeJohn stated that at the time he was working in Headquarters Supply the problem largely revolved around inadequate rations and the low charge to employees. He suggested that in view of the reduced number of people served that UNRRA might now consent to some arrangement whereby AC employees could eat at the UNRRA mess.

11. Colonel Scoggins stated that the due to relaxation of controls on transportation AFHQ has been now authorized ICHTO to deal directly with AFHQ.

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12. Major Rothey reported that the Italian Government has published a statement to the effect that they propose to resume temporary imports of sugar under the old law. While no mention was made of how it would be controlled, they have stated they intend to control imports.

The exchange problem in VG/Ud is in a state of flux, XIII Corps now forwarding their "interpretations" to AC, while it is understood the original arrangement was for the military to follow along with the Italian Government Major Rothey is now giving this matter full and detailed attention and report will be submitted promptly.

13. Capt. DeJohn drew attention to the mimeographed letter sent by the Executive Commissioner to G-5, AFHQ on the general policy of requisitioning.

The meeting adjourned at 5:15 p.m.

CARLOS G. WEBSTER
Lt.Col. FA,
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: 1.27/ES

10 June 1946

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MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 10 JUNE 1946

Present:

Economic Section	Col. C.W. Walton Lt.Col. C.O. Webster, Jr. Lt.Col. R.E. Horn Lt. J.E. Durber
Industry & Utilities Branch	Col. H.M. Walker. Maj. L.W. Laughlin
Food & Agriculture Branch	Lt.Col. R.R. Knapp
Transportation & Shipping Branch	Lt.Col. W.P. Scoggins
Commerce (FT) Branch	Maj. G.A.F. Bothey
VG/Udine Sup.Opns.Branch	Lt. J.M. Arensberg

Col. Walton presided:

1. Col. Walton reported that Lt.Col. Horn is working out with the Italian Government the provision of guards for the various types of property taken over from the British and U.S.Army surplus, and captured enemy material, on which the Italians are having a difficult time. The determination of what the Italians are doing with the guards they have now will be necessary before trying to get additional guards from the Ministries for MMLA and the Air Force Sub-Commission.

2. Col. Walton stated that Major Harrison is ready to take any files for archives as soon as they are completed. All Branches reported that their files are being worked on.

3. Maj. Laughlin reported that the P.O.L. situation remains the same as for last week:

Motor gas	60 days' supply
Kerosene	70 days' supply
Fuel oil	60 days' supply
Gas oil	30 days' supply

Endeavors are being made to bring the gas oil stock up to at least a 60 days' supply. No change has been reported in the continuance of the petroleum workers strike, and further action will not be taken until 15 June, when

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budgets will be reviewed. Industry Branch is to follow up on this matter.

The coal stocks as of 1 June are about 600,000 tons. The June estimated arrivals from all sources are 300,000 tons. The allocations permitted for this month are set at 425,000 tons leaving an estimated stock of 475,000 tons at the beginning of July. No news is available as yet on actual shipments from the U.S., but it has been reported that loadings have been resumed. Sardinian coal production for May was 88,854 tons.

6. Maj. Laughlin reported that the representative from the CIELI Co. (Italy) had returned from Paris where he had been attending a meeting regarding the French contract for sale of power to France. The surcharge was settled on a basis of 175%; whereas the CIELI Co. has been charging its other customers 200%. The contract for the sale of power to France was tentatively extended for an additional 6 months from 30 June 1946. In about a week's time information should be available on how the differences were worked out on the lire exchange for services due the Italian Company prior to 31 December 1945. The power plants are located in one of the formerly disputed areas near the French Italian border.

The main storage reservoirs in Northern Italy supplying water for the bulk of power required, are 15% filled. The real filling starts in April and continues during the summer, from melting snows in the Alps. The reservoirs in the Adriatic area are now full. In Southern Italy the Sila Reservoirs show storage of 232,000,000 KWH or about 80% of full capacity and not much more filling is expected. The reservoirs started off last year at full capacity, however, the deficiency will be offset somewhat by restored generating plants and power coming from Central and Northern Italy. In Central Italy the storage reservoir position has shown no improvement.

Some rationing will be necessary this coming fall and winter. After the coming winter is past the electrical situation will be much better as more plants will have been rehabilitated in the meantime. Drought conditions will then be the only factor having an adverse effect on Italian power supplies.

(5.) Lt.Col. Snapp reported on the food situation. According to UNRRA's figures for June there is a deficit of 15,000 tons and they have estimated a very low amount to come in from the new harvest. There is no likelihood of bread famine despite the rumors, as the black market price has not increased. The Supreme Command at Caserta stated that 3,500 people reported they were entirely out of bread. UNRRA investigated this and found that the Province as a whole had 16 days' supply, but the Prefect had interpreted the Government's Decree that if the Commune did not turn in its share for amassing it would not get any help.

The new amassing plan calls for certain payments in Rome for wheat. The gross returns from wheat may be expected to be as high as $106.00 an acre (2.4 acres in a hectare) and the crop for June is good. The estimated wheat crop is 6 mission tons and the amassing goal this year should be about 3 missions. The estimated increase over last year in corn and barley, wheat and rye, except rice, will be the equivalent of more than one ship load a day for a year. The current wheat situation in Venezia Giulia is not good. Arrangements are being made by G-5 to borrow flour from the British Army until shipments of wheat arrive for Venezia Giulia.

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6. Lt.Col. Scoggins reported that 91% of pre-war railway lines are now in operation, though some of the double tracks are only temporerily repaired. Probably no more than 60% pre-war line capacity if available.

7. Maj. Rothey reported that British officers about Rome on official business are badly off with regard to transport and Col. Walton stated that he would look into the matter.

8. Lt. Arensberg reported that a VG/Udine ship will arrive about the 24th of June carrying flour. He stated that the wheat stocks for Udine will last until about 14 June.

9. Lt.Col. Webster stated that 16 June has been set as the dead line for turning in the final reports as to the number of Italian civilians needed in A.C.

The meeting adjourned at 1640 hours.

CARLOS G. WEBSTER, Jr.,
Lt. Col., FA
Chief Staff Officer.

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: 1.27/ES

3 June 1946

JUN 7 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 3 JUNE 1946

Present:	
Economic Section	Col.C.W.Walton
	Lt.Col.C.C.Webster,Jr.
	Lt.Col.R.E.Horn
	Lt.J.W.Durber
VG/UD, Sup. Opns. Br.	Lt.J.M.Arensberg
	Lt.G.M.Mellin
Industry & Utilities Branch	Col.H.M.Walker
	Maj.L.W.Laughlin
	Capt.T.G.Elliott
Transportation & Shipping Branch	Lt.Col.W.P.Scoggins
Food & Agriculture Branch	Lt.Col.R.R.Snapp
	Lt.Col. Cowper
Commerce (FT) Branch	Maj.G.A.P.Rothey
CEM Branch	Lt.Col.J.A.Campbell

Col. Walton presided:

1. Col. Walton stated that there is not much change in the situation concerning AC's future. Things are no more definite than they have been for many weeks. There is an important change in the Econ.Section which is the loss of Lt.Col.Cowper. Lt.Col. Snapp will carry on activities as Director of Food & Agriculture Branch. Col. Walton thanked Lt.Col.Cowper in behalf of all,for his excellent work in the Economic Section and wished him success in his new undertaking. Col. Walton reminded the various representatives of each branch of the monthly report for May. The dedline is set for June 10.

2. Lt.Col.Snapp stated that there was little change in the food situation. A summary has been prepared which was turned in to Col.Walton. However,he added that the amassing decree for the new crop is out. The prices are not stated but it has been learned that they have been published in the newspapers. They are very much higher than they were last year, about 2½ times higher. He also stated that a bonus is being offered for wheat to be delivered in June as well as the earli

Declassified E.O. 12356 Section 3.3/NND No. 785017

part of July. He further stated that the American tractors were distributed and working and that only 6 are left in the warehouses at Piacenza;

3. Lt. Aronsberg reported that notice has been received that a flour ship is scheduled to arrive for Venezia Giulia.

4. Maj. Rothey stated that there was nothing new on Italian Foreign Trade. On the question of sugar to be processed in Italy no licences would be granted for the manufactured of liquors. However, the transfer of sugar to be processed in Italy does not effect final allocation of sugar by CFB for Italy. Further indications show that the Italian Government made a statement to the wine and spirit dealers here that temporary imports were going to be allowed, even going so far as to issue a circular quoting prices.

5. Lt.Darber stated that the record for the Economic Section are in fair shape in some spots and that they are about 50% ready for the archives. Col.Walton directed weekly reports to be made on the records situation in the various branches.

6. Col. Campbell reported that a number of letters had been sent out to firms selected from the CEM files. Quite a number of responses have come in which are being tabulated. Col. Walton stated that he would like to see a full case typical of these instructions.

7. Capt. Elliott reported that the Sawmill near Forli, the molasses and syrup factory and S.A.P.I.A. plant at Forlipompoli had been derequisitioned. R.E.M.E. and Ansaldo are now working out an agreement on their problem. On the question of re-requisition of hotels, Col.Walton stated that subject was being handled by the Office of the Exec.Com.

8. Maj. Laughlin stated that there was nothing new on the power situation since the people who left for Paris to contract for the purchase of power have not as yet returned. With respect to the road project for Udine-Venezia-Giulia, a cable has been received from AFHQ which will call for review of the project, before they will consent to it.

9. Col. Walker stated that the POL situation has been improved considerably in the past few weeks. There is now on hand from about 30 to 70 days supply of motor gas, kerosene,

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fuel oil and gas oil. Negotiations to settle the Petroleum workers strike have failed to accomplish results. There is not much change in the local situation except that the bituminous coal strike in the U.S. has ended. No definite news as to, when shipments for Italy will be resumed. However, the present stocks in Italy are about 600,000 tons. The Coal Emergency Committee has authorized consumption of of 425,000 tons, an increase of 75,000 tons for June. The May arrivals were approximately 336,000 tons from all sources.

The meeting adjourned at 1640 hours.

CARLOS G. WEBSTER, JR.
Lt.Colonel, FA
Chief Staff Officer.

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Exec. Com 48

Ref: 1.27/ES

3 June 1946

JUN 5 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 3 JUNE 1946

Present:	
Economic Section	Col.C.W.Walton Lt.Col.G.C.Webster,Jr. Lt.Col. R.E.Horn Lt; J.W.Durber
VG/UD. Sup. Opns. Br.	Lt. J.M.Arensberg Lt. G.M.Mellin
Industry & Utilities Branch	Col. H.M.Walker Maj. L.W.Laughlin Capt. T.G.Elliott
Transportation & Shipping Branch	Lt.Col.W.P.Scoggins
Food & Agriculture Branch	Lt.Col.R.R.Snapp Lt.Col. Cowper
Commerce (FT) Branch	Maj.G.A.F. Rothey
CEM Branch	Lt.Col.J.A.Campbell

Col. Walton presided:

1. Col. Walton stated that there is not much change in the situation concerning AC's future. Things are no more definite than they have been for many weeks. There is ~~no~~ one important change and that is the loss of Lt.Col.Cowper. Lt. Col. Snapp will carry on activities as Director of Food & Agriculture Branch. Col. Walton thanked Lt.Col.Cowper in behalf of all,for his excellent work in the Economic Section and wished him success in his new undertaking. Col.Walton reminded the various representatives of each branch of the monthly report for May. The deadline is set for June 10.

2. Lt.Col.Snapp stated that there was little change in the food situation. A summary has been prepared which was turned in to Col.Walton. However, he added that the amassing decree for the new crop is out. The prices are not stated but it has been learned that they have been published in the news papers. They are very much higher than they were last year,

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Industry & Utilities Branch	Col. H.E.Walker Maj. L.W.Laughlin Capt. T.G.Elliott
Transportation & Shipping Branch	Lt.Col.W.P.Scoggins
Food & Agriculture Branch	Lt.Col.R.R.Snapp Lt.Col. Cowper
Commerce (FT) Branch	Maj.G.A.F. Rothey
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2704

Declassified E.O. 12356 Section 3.3/NND No. 785017

3. Lt. Arensberg reported that notice has been received that a flour ship is scheduled to arrive for Venezia-Giulia.

4. Maj. Rothey stated that there was nothing new on Italian Foreign Trade. On the question of sugar to be processed in Italy no licences would be granted for the manufactured of liquors. However, the transfer of sugar to be processed in Italy does not affect final allocation of sugar by CFB for Italy. Further indications show that the Italian Government made a statement to the wine and spirit dealers here that temporary imports were going to be allowed, even going so far as to issue a circular quoting prices.

5. Lt.Durber stated that the record for the Economic Section are in fair shape in some spots and that they are about 50% ready for the archives. Col.Walton directed weekly reports to be made on the records situation in the various branches.

6. Col. Campbell reported that a number of letters had been sent out to firms selected from the CEM files. Quite a number of responses have come in which are being tabulated. Col. Walton stated that he would like to see a full case dealing with release statements.

7. Capt. Elliott reported that the Sawmill near Forli,the molasses and syrup factory and S.A.F.I.A. plant at Forliponpoli had been derequisitioned. R.E.M.E. and Ansaldo are now working out an agreement on their problem. On the question of re-requisition of hotels,Col.Walton stated that subject was being handled by the Office of the Exec.Com.

8. Maj. Loughlin stated that there was nothing new on the power situation since the people who left for Paris to contract for the purchase of power have not as yet returned. With respect to the road project for Udine-Venezia-Giulia,a cable has been received from AFHQ which will call for a review of the project,before they will consent to it.

9. Col. Walker stated that the POL situation has improved considerably in the past few weeks. There is now on hand from about 10 to 30 days supply of motor gas kerose

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of 425,000 tons, an increase of 75,000 tons for June. The May arrivals were approximately 336,000 tons from all sources.

The meeting adjourned at 1640 hours.

CARLOS O. WEBSTER, JR.
Lt.Colonel, FA
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: 1.27/EB

27 May 1946

JUN 1 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 27 MAY 1946

PRESENT:

Economic Section	Col. D. W. Walton Lt. Col. G.C. Webster Jr. Lt. Col. H.E. Horn Lt. J.W. Durber
VG/Ca. Sup. Opns. Branch	Lt. G.M. Mellin Lt. J.M. Aronsberg
Industry and Utilities branch	Maj. L.W. Laughlin Capt. T.G. Elliott
Transportation and Shipping Branch	Lt. Col. W.P. Scoggins
Food & Agriculture Branch	Lt. Col. R.H. Sharp
CFM Branch	Lt. Col. J.A.Campbell
Commerce (FT) Branch	Maj. G.A.F.Rothey

Meeting opened at 16:00 hours. Colonel Walton presided

1. Col. Walton announced that last months' reports were very good and interesting. They show that each is thinking in a smaller area and that we are still functioning, although on a diminishing scale. It was requested that all of this months' reports be handed in at the scheduled time.

2. As a result of the Paris conference it looks as though the future of ALCOM is short-lived. Col. Walton stated that Lt. Col. Horn is here from the Milan Food Office and will work with Lt. Col. Webster

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3. Col. Walton reported that it was expected that we would be relieved of the V/C supply responsibility by 1 June, but now the date has been set as 15 June.

(CAPT DR)

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4. Lt. Col. Tooby is taking over the non-distribution of imported goods, but so far only promises of action have been made, as in the case of 754 tractors stored in warehouses.

5. Col. Walton announced that he and Major Rothey are attending weekly meetings on the readjustment of foreign trade and it had been hoped to send a mission to Germany to study trade in the American Zone, but the Embassy has taken this over.

6. Lt. Col. Swapp announced the cereal situation is about the same as reported a week ago. The estimated stocks on hand 31 May are approximately 50,000 tons and these on hand as of 7 June are approximately 6 tons. Therefore the pinch will come in the period 1--15 June. With regard to the wheat crop, increases alone over last years production will amount to 3,100,000 metric tons; or an estimated increase of 45% over last year. UNRRA has reported a large importation of farm machinery.

7. Mr. Laughlin announced that he had received a translation of the minutes and conclusions reached at the Ministry of Public Works on the proposed highway construction in Udine and Venezia Giulia. They have gone on record in favour of the project and have written a letter to AMG, Udine, requesting their action. Estimated expenditure in Udine will be about 6 million lire and in Venzia Giulia 8 billion lire, total 14 billion lire. Construction will extend over a period of 4 years and will start in about 4 months. Projects will relieve unemployment, as much of the work will be done by common labor.
It was reported that the manager of the Italian Company has gone to Paris to attend a meeting on the sale of electricity to France and we will be given particulars as soon as they are available.

8. Lt. Arenuberg commented on the medical supplies lying in a warehouse in Bari which are consigned to us, but have not been distributed, including some insecticide. Insecticide is urgently needed in Udine, and Col. Walton requested that he see about getting this shipped to Venezia Giulia.

9. Capt. Elliott reported on a meeting at which the arms' factory was discussed. The conclusion was drawn that

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no control is being exercised over this factory and it was recommended that MFA is the most suitable agency to execute this control.

10. Lt. Col. Snoggins reported that the rail line from La Spezia to Parma will be reopened in two days.

11. Lt. Col. Campbell announced there was a further quantity of captured enemy material reported from Milan for collgation.

12. Maj; Rokhoy reported he had received a letter from a ceramic factory in Naples informing that its premises were requisitioned by the Italian military. Col. Walton suggested that the letter be turned back to the firm, telling them to apply for assistance to the Italian Government, possibly to the Ministry of Industry and Commerce, as we should not become involved in demilitarisioning of this type.

14. Col. Walton discussed the cutting down of civilian personnel with the representative of each section, but felt we should not cut down too much in case any emergency should arise.

15. Col. Walton reported little change in the coal situation. It is hoped to bring in 300,000 tons by the end of June.

The meeting adjourned at 16:45 hours.

CARLOS G. WEBSTER Jr.
Lt. Col. FA
CSO

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#021 /36 44 Elec. Comm.

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: 1.27/ES 21 May 1946

MAY 23 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 20 MAY 1946

PRESENT:

Industry and Utilities Branch	Col. H.N. Walker Maj. I .N.Laughlin Capt. T.G.Elliott
Economic Section	Lt. Col. C.C.Webster Jr. Lt. Col. F.W.Tooby Lt. J.N.Barber
Food & Agriculture Branch	Lt. Col. V.R.A.Cowper
CEM Branch	Maj. E.C.P.Bates
Transportation Branch	Lt. Col. W.F. Scoggins

Meeting opened at 16:00 hours. Colonel Walker presided

1. Col. Walker reported that the branches should be prepared for a call to reduce the number of civilian employees and suggested that each branch make a careful survey of the people it has, those it can release, and those it desires to retain.

2. Maj. Laughlin announced that a request had been received from Lt. Col. J.E. Poden in Trieste for two engineers with administrative experience, to become members of the board which directs the management of electricity, water and gas in Trieste. These utility services are in serious financial difficulties, also that there would be a meeting Wednesday in the Ministry of Public Works office between the Minister and representatives of A.M.G. XIII Corps in connection with financing of projects in the Trieste area to ease unemployment. 2740
The question of renegotiation of the contract for sale of electricity between Italian and French governments has not yet come up. The meeting held the past week dealt with payment for power supplied to the French occupany prior to the change in

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the lira rate in December 1945 and the question of surcharges in the service. Also the Italian company charges all its other customers in North Italy. The newspaper "Il Messaggero" carried a story that the "Inter Allied Commission" had visited the hydroelectric plants which are involved in this matter.

3. Lt. Col. Cowper announced there is a chance the breakration will be cut, but the Italians are apparently trying to evade the issue until after elections. A meeting will be held later in the day wherein a final decision should be reached on the rationing and not later than 23 May.

4. Lt. Lurber suggested that the chief clerks check for any old files that should be prepared for archives.

5. Col. Walker reported that P.O.S. has made the following releases of bulk petroleum products during the current month, all quantities are in barrels of 42 U.S. Gallons:

Date	MOGAS	KERO	GASOIL	FUEL OIL
2	260,000	90,000		
4		70,000	70,000	
7			25,000	
20	270,000	170,000	95,000	1,160,000
TOTAL	530,000	260,000	190,000	1,160,000
Estimated consumpt. in May	307,000	70,588	183,590	713,000
Balance	223,000	210,412	16,410	447,000

This in effect means that with the exception of Gasoil, P.O.S. are released to CIP all fuels which were slated to be imported into Italy up to May 31st. On Gasoil there is still a backlog of 500,000 barrels. There is a more comfortable stock of POL products than we have ever had in Italy before. The anticipated arrivals of solid fuel before the end of June from all sources are as follows:

E.C.O. allocations	206,500 tons
UNRRA cable	97,000 "
British Military	33,000 "
	336,500 "

6. The Emergency Strike Committee on coal has done no excellent job

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in causing the least damage to Italian economy. They have about 70 days stock of coal which is more then they have ever had, and with curtailed traffic they are good for two months if they don't receive any more.

The meeting adjourned at 16:00 hours.

CARLOS S. WEBSTER Jr.
Lt. Col. FA
CSO

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

13 May 1946 MAY 14 1946

Ref: 1.27/E6

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 13 MAY 1946

PRESENT:

Economic Section — Col. C.W.Walton
Lt. Col. C.G.Webster
Capt. T.D.Morgan
Lt. J.N.Barber

CCMI Branch — Lt. Col. J.A. Campbell

Transportation Branch — Lt. Col. W.P.Scoggins

Industry and Utilities Branch — Maj.L.W. Laughlin
Capt. T.G. Elliott

Food and Agriculture Branch — Lt. Col. V.H.A.Cowper

V/Ud. Sup.Opns. Branch — Lt. C.N.Mellin

Meeting opened at 16:00 hours. Colonel Walton presided

1. Lt. Col. Cowper announced that UNRRA has had one ship diverted, but the stock as of June the first will remain unchanged. The June stocks are still estimated at 48,000 tons. 68,000 tons is the target figure for extra "Amassing but this should be checked with UNRRA. In Central and Southern Italy the oils and fats are sufficient to last through June, and until the new harvest.

2. Maj. Laughlin announced that a meeting will take place shortly between members of the French and Italian Governments on the sale of electricity to France.

3. Lt. Col. Scoggins announced that air passage is being arranged for the 12 technical experts of the Italian Commission to go to the United States to arrange purchase of the Liberty ships.

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4. Capt. Elliott reported that final derequisitioning has been made of the steel pipe works of Bari.

5. Lt. Col. Campell reported on releases to the Italian Government. The releases are now down to about 100, as against 400. As long as they are kept under the 100 figure, they should be brought up to date this month.

6. Col. Walton reported on a meeting he attended at the Ministry of Foreign Trade, at which were present representatives of other Ministries, the Industry and Commerce, Finance, and a large group of Italians and some British. The purpose of this meeting was to form a work committee on the revival of foreign trade for Italy, and to assist the Italian Government on process and procedures. The committee will be formed and A.C. will participate only to the extent of offering advice.

7. Col. Walton announced that he would have a discussion with the Executive Commissioner on the present status of our personnel. Capt. Elliott said that an executive officer and fiscle officer are needed in the Industry and Utilities Branch. Lt. Col. Cowper announced that an agricultural officer was needed in his section. Lt. Col. Campbell said he would like an American officer in the CEM Branch, preferably someone who knows the German language to work on the RUK files. Lt. Col. Scoggins reported that he did not require any additional officers, but did not desire to lose Col. Street, as he is needed, to handle the Rail transportation business.

The meeting adjourned at 16:45 hours.

(Signed) Hatty

CARLOS G. WEBSTER, JR.
Lt. Colonel, FA
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
AFO 394
ECONOMIC SECTION

Ref: 1.27/ES 7 May 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 6 MAY 1946

MAY 9 1946

Present:	
Economic Section	Col. C.W.Walton Lt. Col. C.G.Webster Capt. T.D.Morgan
Industry and Utilities Branch	Col.H.N.Walker Col. G.F.Parker Maj. L.W.Laughlin Capt. T.G.Elliott
CMP Branch	Lt. Col.J.A. Campbell
Transportation and Shipping Branch	Lt. Col.W.P. Scoggins
Food & Agriculture Branch	Lt. Col. WR..A.Cowper Lt. COL. R.R.Snapp
Commerce (FT) Branch	Capt. G.A.F.Rothey
VG/Udine Sup. Opns. Branch	Lt. J/M.Arensberg

Meeting opened at 16:00 hours. Colonel Walton presided.

1. Colonel Walton requested that all final reports be submitted as soon as possible. Where necessary officers now in UNRRA should be called up in the preparation of the reports.

2. Lt. Col. Campbell stated that all RUK records have been boxed and transportation has been arranged to move them to the new location by the end of the week. Thereafter they will be set up in library form for ready reference by all interested parties.

With regard to the turn overs in forward areas, there are not many large dumps involved but some of the blocked material is now being released. Arrangement has been made wi269 District whereby they release it immediately or take it for military purposes.

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3. Lt. Col. Cowper stated the food situation is about the same as last week. The stocks on hand are 131,000 tons and the estimated May arrivals 190,000. As of 1 June the estimated stocks on hand will be 65,000 tons.

The decree on extra ensealing has not yet been passed due to the Prime Minister's absence from Rome, but the Government is proceeding with plans as if the decree were in effect. It is anticipated that the decree will produce good results largely because of the localization of responsibility.

Price remain about the same, with a slight downward trend.

4. Colonel Walton said that in the Foreign Trade area we are out of the ROL business but still in the business of coordinating international trade, between other Allied Military missions. Colonel Walton and Capt. Rothey asked that whenever a problem involving foreign trade with such military missions comes to notice in any of the Branches, that Capt. Rothey be informed and consulted on all developments.

5. Lt. Aronsberg stated that all requirements for Udine have been submitted and some revisions are now being prepared.

6. Lt. Col. Snapp reported that the crops in Sardinia and Salerno are being threatened by grasshopper swarms, but that UNRRA is attempting to furnish the necessary equipment and poison to combat them.

There has been a good rainfall in all Italy with the exception of Venezia Giulia/Udine region. Colonel Walton asked that Lt. Col. Snapp contact the Hydrographic Office of the Italian Government for data concerning the rainfalls.

7. Col. Parker stated that rationing restrictions on electric power have been reduced in the Central and South of Italy, but attempts are being made to control the use of additional power by not authorizing new connections of household equipment. It is hoped that this control will be effective so that in the fall additional restrictions and rationing will not be necessary.

8. There [illegible] no new developments with regard to de-re-

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quisitioning. Capt. Elliott reported. However, two cases submitted in the past week by the Italian Government were found to have been completed. The Italian Government has been requested to more carefully prepare and check the requests before their submission to AC.

9. Col. Walker said that Minister Pronchi has not yet prepared his pro-memorie on CIP. This will be followed for action.

With regard to coal, there has been no change with regard to future prospects. During April 722,600 tons arrived in Italy from all outside sources; 82,394 tons were shipped from Sardinia to the Mainland.

POL situation - gasoline, 37 days; kerosene 50 days; deisel oil 15 to 20 days. The situation with regard to deisel oil is causing considerable concern. Action is being taken to try and get FBS to make releases of oil in the areas where it is most needed.

10. Lt. Col. Webster reported that to date only two monthly reports have been received. All reports are to be in this office before Friday.

11. Reporting on the maldistribution problem Colonel Walton stated that the problem seems to be one of pricing. In a recent conference with the Minister of the Treasury the Minister pointed out the necessity of recovering on the goods at least the lire equivalent of the dollars and pounds entered as a charge against the Italian Government. The Minister has promised to confer with all other Italian Government departments to try and arrive at some equitable conclusion which will improve the situation.

Although UNRRA has now stated that they accept responsibility for and will conduct distribution on food only, there are definite indications that they are interesting themselves in other cases of maldistribution, such as tractors and farm equipment, medical supplies, etc. This in conjunction with public pressure now appearing in the press, it is hoped will force improvement of the situation.

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The meeting adjourned at 1645 hours.

CARLOS G. WEBSTER
Lt. Col. FA
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

2 May 1946

Ref: 1.27/ES

MAY 4 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 1 MAY 1946

PRESENT:

Economic Section	Col. C.N.Walton Lt. Col.C.G.Webster Capt. T.D/Morgan Lt. J.V.Barber
Finance Branch	Lt. Col.B.E.L. Timmons
VG/Ud. Sup. Opns. Branch	Lt. J.M. Arensberg
Industry and Utilities Branch	Col. H.M.Walker Col. G.F. Parker Capt. Leidlaw
CIM Branch	Lt. Phillips
Food and Agriculture Branch	Lt. Col. V.R.A. Cowper Lt. Col. R.R.Snapp
Commerce (FT) Branch	Capt. C.A.F. Rother
Transportation Branch	Lt. Col. Scoggins

Meeting opened at 11:30 hours. Colonel Walton presided.

1. Col. Walton expressed regret that this is Lt. Col. Timmons last meeting with us as he will be leaving in the next few days for the U.S.

2. Col. Walton raised two issues discussed at the Executive Commissioner's meeting. (1) Reduction in civilian personnel; It is the impression that civilian personnel are being held longer than necessary. It was reported that the Executive Commissioner would get out some instructions

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on the matter, perhaps a flat percentage reduction; therefore preparation should be prepared for this reduction.

(2) Discussion of change in office hours: A proposal had been made previously by Col. Rees that office hours be changed from 8:30 - 12:30 and from 1:30-5:30. Col. Walton announced that the present working hours, from 8:30-12:30 and from 2:00 - 6:00 will probably continue in effect.

3. Col. Walton reported on the Udine conference; at which were representatives of G-5, 13th Corps, and AMG Udine. There was discussion on AFHQ's relationship with AMG territory, and our principle duty in the relationship of supply matters. G-5 had the conviction that AFHQ should deal with AMG territory; also recognized that in the supply business with AMG territory, there are sometimes contacts to be made with the Italian Government and UNRRA in Rome, and concluded that these contacts should continue to be made by AC, and the results reported to AFHQ. The question was also discussed of whether G-5 should deal with AMG or VG/Ud, and Udine voted that they be left under AFHQ control. The 13th Corps, not taking a position, felt they were able to handle the Udine problems in matters of allocations and the question was left open - that G-5 would prepare a directive to send to AC for comments. At the moment we are still in the supply business for AMG territory and Lt. Arensberg has completed the program for the last half of 1946 and forwarded it to AFHQ.

4. Col. Walker announced little change in the coal situation, but reported on 2 proposals for the future as advanced by the EDC in London: (1) The spreading of coal pro rata for all country allocations. (2) The spreading of coal pro rata over the total supply, including indigenous products. About 200,000 tons would be provided for Italy, the principal source being the Ruhr and some from South Africa. The Belgian and French Governments are contesting this as they would lose on the quantity of coal shipped to Italy. The outcome has not been decided. It was also announced that UNRRA does not want to buy Turkish coal. The monthly production of Sardinian coal is 100,000 tons, anthracite 15,000 tons and lignite 150,000. Col. Walton asked that a report be obtained on the rail-line accomodation where lignite could be procured.

5. Col. Walton announced that CIP arrangement for control of petroleum products was set up by the Allies and its principal Board has 2 Italian representatives and 3 representatives for /

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Anglo-American interests. The Italians have undertaken to [illegible] this Board, thus dominating it, but the originators of OIP are trying to get the Italian Government not to reorganize the Board for 4 or 5 months, after which time it is thought that these companies will be back on their feet. He stated that the Executive Commissioner pointed out that perhaps this is one of the activities AFHQ could ease out of and could be handled by the American and British Embassies, plus UNRRA.

6. Lt. Col. Scoggins reported on the transportation situation. An Italian delegation left for the U.S. to discuss the purchase of 50 Liberty ships. The Italian Government has guaranteed payment for the ships and the Italian ship owners have agreed to reimburse the Government.

7. Lt. Phillips reported the CMC Branch had nothing to bring forward. Col. Campbell will be back on Friday and it was suggested that he push the movement of goods from the depots in the north.

8. Col. Snapp reported on the timber situation in Udine. A representative is coming from Udine to Rome and will discuss that a price be fixed on the supplying of timber to the Army. The Army has announced its plans for timber harvesting in the north-reducing its requirements from 13,000 tons to 1,000 tons per month. Part of the cutting will be transferred to Belluno Province.

9. Lt. Arenaberg reported that AFHQ has acknowledged receipt of program for second half and they are starting procurement activity and want a revision of POL requirements. The food requirements for both areas have been approved and and sent forward, for approval of CCS.

10. Col. Parker announced that 110,000 KW of power is now being supplied from North Italy to Central and Southern Italy. About 30,000 KW of this power is going to Southern Italy and this amount will be increased in June to approximately 50,000 KW, making a total of 130,000 KW coming from the North. The remaining 80,000 KW will be supplied to Central Italy and the Florence-Leghorn area, which has been constructed as part of the Central Italy grid. Most of the power coming from the North is not to be considered as additional energy for Central and Southern Italy, but is being used to make up for the

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deficit resulting from dry weather in these areas and to allow for refilling the main reservoirs for next winter's operation. This is particularly true in the case of the Sila reservoir in Southern Italy.

12. Lt. Col. Snapp reported that the present rainfall has helped the crop outlook and Col. Parker suggested that rainfall figures could be obtained from the Ministry of Public Works.

13. Lt. Col. Cowper announced there was little change in the food situation. The Italian Government is working on an extra sowing plan concerning the prefects. The sugar situation is much better - 15,000 tons of sugar will be here by the middle of May.

14. Lt. Col. Timpone expressed regrets on his leaving and stated that in the future Lt. Col. Webster will handle finance matters.

15. Lt. Col. Webster stated that monthly reports are due and the deadline is May 10.

The meeting adjourned at 12:45 hours.

CARLOS G. WEBSTER, JR.
Lt. Colonel, FA
Chief Staff Officer.

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: I.27/2S

24 April 1946

APR 25 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 24 APRIL 1946

PRESENT:

Finance Branch	Lt. Col. P.E.L.Timmons
Economic Section	Lt. Col. C. G. Webster, Jr. Capt. T. D. Morgan Lt. J. W. Durber
Transportation & Shipping Branch	Lt. Col. W. P. Scoggins
Industry & Utilities Branch	Col. H.M. Walker Col. G. F. Parker Capt. T. G. Elliott
CCM Branch	Major P.C.C. Bates
Food and Agriculture Branch	Lt. Col. V.R.A. Cowper Lt. Col. R.R. Snape
Commerce (FT) Branch	Capt. G.A.F. Rothey

Meeting opened at 11:30 hours. Lt. Col. Timmons presided.

1. Lt. Col. Timmons reported that on 19 April UNRRA presented a letter to the Italian Government indicating that the stock of wheat would be 12,000 tons on June 1, if the present ration was maintained. After receipt of this communication the Italian Government held a meeting with UNRRA on 20 April. The Italian Ministry of Agriculture believes there can be supplementary crossing or a cut in the ration but not both. No final decision was taken. At a meeting of the Council of Ministers on 23 April, authority was delegated to the Prime Minister to cut the ration to 150 grams if the Prime Minister's telephone conversation with Mr. La Guardia later in the day produced no new result. Mr. La Guardia informed the Prime Minister that two ships were being directed to Italy, with 16,000 tons of wheat on board. Seven ships from the Argentine bearing wheat should arrive in June. The latest estimate on the present ration is that on 15 May there will be 10,000 tons of wheat and it is necessary that three or four ships bearing wheat should arrive here before 10 May. The Italian Government will undoubtedly make efforts to increase the ration before the election. The danger is that the ration will be allowed to run down after the election, with grave shortages developing. However, as of

Industry & Utilities Branch	Col. H.M. Walker Col. G. F. Parker Capt. T. G. Elliott
CCM Branch	Major F.C.C. Bates
Food and Agriculture Branch	Lt. Col. V.R.A. Cowper Lt. Col. R.R. Snape
Commerce (PT) Branch	Capt. C.A.P. Rothey

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2. Col. Walker announced when the coal strike began about one quarter million tons of coal were stocked in Italy. Arrivals have built the stock up to 1,200,000 tons. If the strike is not over by 15 May 1947 will feel the crisis in July.

The POL situation stands thus today: 30 days' supply of gasoline, 25 days for diesel oil and 30 days for fuel oil. The stocks held by the military are high owing to recent arrivals and generally does not give cause for anxiety, with the exception of diesel oil, which is in short supply.

3. Col. Parker announced that five electric companies in Central Italy have been and are still operating on a central grid network system. The power of these companies is controlled by a central load dispatcher through the Master Control Center in Rome. This scheme was placed into effect by

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the Electrical Division of AC and it is expected that the Italian Government will continue the arrangement with the complete supervision of the Master Control Room coming under the control of the Regional Commissioner for control of electric power in Central and Southern Italy. There is to be a joint meeting in Rome on April 26 of the Advisory Committees of Central and Southern Italy for electric power. The subject of the Master Control Center will be one of the topics of discussion at the above meeting.

The Italian Government has asked AC for permission to supplement the present public works program in Venezia Giulia for the purpose of relieving unemployment and to improve the housing situation. The Government's recommendations, which includes the furnishing of additional funds and material, if necessary, have been forwarded to 13th Corps, AMG, for consideration and recommendations. The Public Works Officer, Major Richardson of Venezia Giulia, stated that one of the main handicaps in employing a large volume of labor was the fact that there was not sufficient skilled labor such as carpenters and brick layers to carry out many important projects.

4. Col. Snapp announced that the Italian Government has arrived at a satisfactory decision regarding timber cutting in Udine. Part of the cutting will be transferred to Belluno Province.

5. Capt. Rothey reported no final action has been taken as yet regarding U.S. procurement officers from Austria to purchase fruits and vegetables in Italy.

6. Lt. Col. Webster announced he had received reports from various branches on mal-distribution of goods and commodities, (including tractors, and mining machinery) turned over to Italian agencies. He will complete his report in a day or two when he has received information on medical supplies, clothing and shoes.

The meeting adjourned at 12:15 hours.

Carlos G. Webster, Jr.

CARLOS G. WEBSTER, JR.
Lt. Colonel, FA
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref.: 1.27/ES

17 April 1946

MINUTES OF THE ECONOMIC MEETING
STAFF MEETING HELD 17 APRIL 1946

APR 19 1946

PRESENT:

Economic Section	Col. C.W.Walton Lt.Col. C.B.Webster Maj. N.P. Smith Capt. T.D.Morgan Lt. J.W. Durber
Finance Branch	Lt.Col. B.E.L.Timmons
Industry & Utilities Branch	Col. H.M.Walker Col. G.F.Parker Capt. T.G. Elliott
Transportation & Shipping Branch	Lt.Col. W.P.Scoggins
CAM Branch	Lt.Col. Campbell
Food & Agriculture Branch	Lt.Col. V.R.A. Cowper Lt.Col. R.R. Snapp
Commerce (FT) Branch	Capt. G.A.F. Rothey
VG/Ud Sup. Opns. Branch	Lt. J.M. Arensberg

Meeting opened at 11:30 hours. Colonel Walton presided.

1. Colonel Walton announced that Good Friday is not an official holiday. However, all employees are to be given 3 hours for devotions and Italian employees may be given the full day. Heads of Branches will use their discretion as to whether Easter Monday is granted as a holiday to Italian employees.

2. Colonel Walton reported on a meeting called by General Hamblen next week in Udine with reference to the direct relationship of VG/Ud with AFHQ. The party will leave Rome by train on Monday and return on Thursday. Colonel Walton and Lt. Arensberg will be the representatives from Economic Section.

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	Capt. T.D.Morgan Lt. J.W. Durber
Finance Branch	Lt.Col. B.E.L.Timmons
Industry & Utilities Branch	Col. H.M.Walker Col. C.F.Parker Capt. T.C. Elliott
Transportation & Shipping Branch	Lt.Col. W.P.Scoggins
CMM Branch	Lt.Col. Campbell
Food & Agriculture Branch	Lt.Col. V.R.A. Cowper Lt.Col. R.R. Snapp
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3. Colonel Walton reported on an information message received from AFHQ proposing that under certain conditions UNRRA be responsible for the supply of VG/Ud. Among other things the Combined Chiefs of Staff suggest that the AMG be considered the Government of the area; a separate or special UNRRA Mission for the area be set up independent of the Italian-Yugoslav Mission; that the Mission be headed by a qualified British or

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American Officer and provision be made for its reversion to SACMED control, if and when necessary; that the supplies now in the pipeline be handed to UNRRA and that UNRRA have the same status as the military before the Combined Allocation Boards. The action on this message still remains in Washington, and undoubtedly will be one of the subjects under discussion in the forthcoming meetings with General Hasblen.

5. Colonel Walton stated that in the Vice President's meeting Mr. Cleveland reported no change in the food and coal situations. UNRRA is somewhat more hopeful with regard to increased allocations of food. The matter under review at current meetings is the diversion of food from the UK to other European countries. The UK representatives have agreed to diversions provided repayment is made, and also provided the US will ration bread. UNRRA has still been promised 150,000 tons of wheat for April, but one-half of the month has gone and only 46,000 tons have been shipped. The Italian Government has not reduced the ration, partly because they don't want to take this step and partly on day to day advice received from UNRRA.

With regard to coal, Mr. Cleveland reported that between 900,000 tons and 1,000,000 tons have been imported within a period of about a month and a half. The Italian Government has taken a good stand on rationing and stock-piling which is encouraging. However, coal shipments will probably stop entirely very soon on account of the strike and then further rationing steps will be necessary.

6. Colonel Walton reported on a meeting with Dott. De Jorio of ENDIMEA with regard to non-distribution of medical supplies. This seems to be because of lack of agreement between the High Commissioner of Public Health and ENDIMEA as to the channels to be used for distribution. Action still lies with the Public Health Sub-Commission insofar as trying to get the two Italian Government agencies together on a matter of policy.

It was noted that this situation with regard to medical supplies also exists in the matter of non-distribution of clothing, food and farm equipment (including seeds, tools, etc.). Colonel Walton directed that all Branch Heads collect all available figures, specific data and examples, copies of correspondence, etc., on such situations within their field of jurisdiction and submit reports of action taken or to be taken at higher levels in order to eliminate further delays in distribution. With regard to food stored in warehouses in the North which is not being distributed, Colonel Walton asked Colonel Cowper to immediately contact UNRRA officials in an effort to get this food moving into the country.

7. Colonel Walker reported there is no change in the coal figures from those recorded last week. The strike situation is unchanged. There has been shipped 46,750 tons of Sardinian coal so far this week. The POL situation is better this week — having reached an almost normal stock.

8. Capt. Rothey stated the letter to the Italian Government regarding termination of AC's functions insofar as AF is concerned has been sub-

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one-half of the month has gone and only 46,000 tons have been shipped. The Italian Government has not reduced the ration, partly because they don't want to take this step and partly on day to day advice received from UNRRA.

With regard to coal, Mr. Cleveland reported that between 900,000 tons and 1,000,000 tons have been imported within a period of about a month and a half. The Italian Government has taken a good stand on rationing and stock-piling which is encouraging. However, coal shipments will probably stop entirely very soon on account of the strike and then further rationing steps will be necessary.

6. Colonel Walton reported on a meeting with Dott. De Jorio of ENDIMEA with regard to non-distribution of medical supplies. This seems to be because of lack of agreement between the High Commissioner of Public Health and ENDIMEA as to the channels to be used for distribution. Action still lies with the Public Health Sub-Commission insofar as trying to get the two Italian Government agencies together on a matter of policy.

It was noted that this situation with regard to medical supplies also exists in the matter of non-distribution of clothing, food and farm equipment (including seeds, tools, etc.). Colonel Walton directed that all Branch Heads collect all available figures, specific data and examples, copies of correspondence, etc., on such situations within their field of jurisdiction and submit reports of action taken or to be taken at higher levels in order to eliminate further delays in distribution. With regard to food stored in warehouses in the North which is not being distributed, Colonel Walton asked Colonel Cowper to immediately contact UNRRA officials in an effort to get this food moving into the country.

7. Colonel Walker reported there is no change in the coal figures from those recorded last week. The strike situation is unchanged. There has been shipped 46,750 tons of Sardinian coal so far this week. The PCL situation is better this week -- having reached an almost normal stock.

8. Capt. Rothey stated the letter to the Italian Government regarding termination of AC's functions insofar as LCL is concerned has been submitted to the Chief Commissioner for signature. The lists of commodities have been prepared in draft form and will be submitted within the next day or two.

A question of a contract for a monopoly trade between a private firm in Tripolitania and the Ministry of Foreign Trade has arisen and is being checked by the Commerce Branch.

Also the question of U. S. procurement officers from Austria using dollars for purchase of fruits and vegetables throughout Italy has raised a new problem which is being followed up by Commerce Branch.

9. Lt. Arnsberg reported that several of the requirements have been received. Some further justifications are necessary, but these will be in form to submit to AFHQ almost immediately.

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10. Col. Parker stated the Italian Government's proposed plan for supplying power to Sicily has been cleared and the final responsibility now rests with the Air Ministry.

The Italian Government is currently working on an agreement with France for the extension of a contract to supply electric power to the Menton area.

It is planned to push the VG/UD public works program in order to relieve the current housing and employment situation of the persons coming across the Morgan line. The Italian Government has agreed to assist as much as possible by furnishing certain raw materials for construction purposes.

11. Col. Sharp reported that the crops look very good in the North. It is anticipated that they will be at least as good as last year.

At the moment the Agriculture Branch is working as coordinating agent for shipment of certain vegetable seeds from the North to Austria. It is hoped to get this shipment off immediately.

12. Colonel Timmons stated that the Italian Government has now accepted our various proposals regarding the control of exports and imports into Venezia-Giulia. A delegation from the Italian Government will proceed at once to VG/UD to set up the accounting system.

13. Lt. Durber requested that if any Branches need additional EMs or OMs in their offices to comply with military regulations regarding security, that personnel requests be submitted to him at once.

The meeting adjourned at 12:25 hours.

CARLOS C. WEBSTER, JR.
Lt. Colonel, FA
Chief Staff Officer

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12. Colonel Timmons stated that the Italian Government has now accepted our various proposals regarding the control of exports and imports into Venezia-Giulia. A delegation from the Italian Government will proceed at once to VG/Ud to set up the accounting system.

13. Lt. Barber requested that if any Branches need additional EMs or CMs in their offices to comply with military regulations regarding security, that personnel requests be submitted to him at once.

The meeting adjourned at 12:25 hours.

CARLOS C. WEBSTER, JR.
Lt. Colonel, FA
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.27/ES

12 April 1946

APR 12 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 10 APRIL 1946

PRESENT:

Economic Section	Col. C. W. Walton Lt. Col. C. C. Webster Maj. N. R. Smith Capt. T. D. Morgan Lt. J. W. Durber
Finance Branch	Lt. Col. B.S.L. Timmons
Industry & Utilities Branch	Col. H. M. Walker Col. G. F. Parker Capt. T. G. Elliott
Transportation & Shipping Branch	Lt. Col. W. P. Scoggins
C&M Branch	Lt. Col. Campbell
Food & Agriculture Branch	Lt. Col. V.R.A. Cowper
Commerce (PT) Branch	Capt. G.A.P. Bothey
W/Udine Sup. Opns. Branch	Lt. J. M. Arensberg

Meeting opened at 11:35 hours. Colonel Walton presided.

1. Colonel Walton stated Mr. Legg reported that the current food situation in Italy is very bad and that UNRRA is definitely recommending a change in rations, so far as wheat consumption is concerned. The brighter side of the picture is that sugar, meat and some edible fats and oils will be available soon and it is anticipated that a ration program will soon be in effect for the distribution of these items.

With regard to blocked foods now being released Col. Cowper was requested to contact Mr. Legg and verify the current position and procedure.

2. Colonel Walker reported that during March 76 ships, from all sources, carrying 623,000 tons of coal have sailed and advices have been received to date of 5 ships from South Africa and 34 ships from the United States, carrying approximately 500,000 tons, are scheduled. Over a two-month period there will be some 1,123,000 tons of coal available.

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[illegible] & Utilities Branch	Col. H. M. Walker Col. G. F. Parker Capt. T. G. Elliott
Transportation & Shipping Branch	Lt. Col. W. P. Scoggins
CEM Branch	Lt. Col. Campbell
Food & Agriculture Branch	Lt. Col. V.H.A. Cowper
Commerce (FT) Branch	Capt. C.A.F. Rothey
WC/Mining Sup. Opns. Branch	Lt. J. M. Arensberg

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2. Colonel Walker reported that during March 76 ships, from all sources, carrying 623,000 tons of coal have sailed and advices have been received to date of 5 ships from South Africa and 54 ships from the United States, carrying approximately 500,000 tons, are scheduled. Over a two-month period there will be some 1,123,000 tons of coal available.

The strike situation in the States has not changed. It is anticipated the strike will continue for about a month.

Sardinian coal production reached a new high of 88,660 tons this week. It is expected that production will reach 100,000 tons by next month. Increased production is largely attributed to increased food rations.

The current POL situation in Italy is: 21 days' supply of gasoline; 24 days' supply of diesel oil; 60 days' supply of kerosene; and 40 days' supply of fuel oil. The situation on diesel oil is tight, and the proper stock of gasoline would be about 45 days' supply. 268

3. Colonel Scoggins stated that the press release from Trieste stating that Trieste shipyards had secured a contract for the building of a17,000 ton vessel for the Norwegians is in error. Negotiations are under way, but the contract has not been completed.

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The Italian Government has approved the use of the ports of Ancona and Molfetta for dumping ammunition. AFHQ has been so advised.

4. Lt. Arensberg reported that by the end of this week the requirements for Venezia-Giulia should be in his office and in preparation for submission to AFHQ.

A consignment of British tires has been located, and it is planned to send these to Venezia-Giulia. Colonel Walton instructed that these tires be delivered without delay.

5. Colonel Parker reported that the electric power for Southern Italy has improved. Arrangements for the supply of additional electricity from the North have now been completed, and it is only necessary now for the electric companies to work out the details.

6. Capt. Elliott reported that de-requisitioning requests are increasing rapidly. This work is somewhat complicated by the lack of clerical assistance and the incomplete and inaccurate submissions on the part of the Italian Government.

7. Col. Campbell stated that the Italian Government is now actually moving ammunition from the dumps that have been released by the Allies, to the factories where it can be broken down.

8. Col. Cooper asked whether a draftsman could be made available for part-time work in his office. Col. Parker stated that they have an Italian draftsman in their office, and they will try to work out a satisfactory schedule.

9. Capt. Rothey reported that while he had not been so advised by the Embassies, he thought the notes verbale had been delivered this week concerning AC's proposed withdrawal from RCH functions. Colonel Walton requested that this be verified. Pending an answer to our MCC cable, a draft letter has been prepared giving the date of termination of AC's functions insofar as RCH activities are concerned.

10. In an effort to cut down paper work Colonel Walton asked if further reports on prices and price adjustments from the Italian Government were required. It was the concensus of opinion that these reports are still useful, particularly in the coal and electric power fields. Colonel Walton asked that care be taken to see that included in these reports there are no references or intimations of work to be done by AC, which we are not in a position to do.

11. Major Smith asked that the monthly reports be submitted at once. These reports are due in the Chief Commissioner's Office by the 12th and a certain amount of correlating must be done before transmittal.

Meeting adjourned at 12:20 hours.

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Meeting adjourned at 12:20 hours.

NORMAN R. SMITH
Major, AGD
Chief Staff Officer

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APR 5 1946

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.27/ES

4 April 1946

ACTIVITIES OF THE ECONOMIC SECTION
STAFF MEETING HELD 3 APRIL 1946.

PRESENT:

Economic Section	Col. C. W. Walton Lt. Col. C. B. Webster Maj. W. R. Smith Capt. T. D. Morgan Lt. J. W. Barber
Executive Commissioner's Office	Maj. Holmes
Finance Branch	Lt.Col. E.H.L. Timmons
Industry & Utilities Branch	Col. H. M. Walker Col. G. P. Perier Lt. Col. F. W. Tooby
Transportation & Shipping Branch	Lt. Col. W.P. Scoggins
CCG Branch	Maj. F.C.G. Bates
Commerce (PT) Branch	Lt. J. G. Cooper
Food & Agriculture Branch	Lt. Col. V.R.A. Cooper Lt. Col. E. R. Snapp
VG/Udine Sup. Ops. Branch	Lt. J. M. Arensberg

Meeting opened at 11:30 hours. Colonel Walton presided.

1. Colonel Walton reported that Admiral Stone leaves tomorrow for Washington. For the time being, at least, AFHQ does not plan to implement recommendations for proposed changes in the Economic Section. Therefore the present terms of reference for operations remain unaltered.

2. Colonel Walton stated that the present food situation is more critical than UNRRA indicated last week. He asked Lt. Col. Cooper to coordinate with UNRRA officials to determine the exact status so that a final and accurate report of the situation could be known and reported to SACMED if it is found that ration cuts are necessary.

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Executive Commissioner's Office	Lt. J. W. Barber
Finance Branch	Maj. Holmes
Industry & Utilities Branch	Lt.Col. S.E.L. Timmons
	Col. H. H. Walker Col. G. P. Parker Lt. Col. P. W. Tooby
Transportation & Shipping Branch	Lt. Col. W.P. Scoggins
CSI Branch	Maj. P.C.G. Bates
Commerce (FT) Branch	Lt. J. G. Cooper
Food & Agriculture Branch	Lt. Col. V.R.A. Cowper Lt. Col. R. R. Snapp
VG/Udine Sup. Opns. Branch	Lt. J. M. Arensberg

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3. Colonel Walton asked how Allied Commission expected to pay for supplies used for displaced persons not eligible for UNRRA assistance.

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Lt. Col. Cowper and Lt. Col. Timmons reported that there was at least one more FEA ship due to arrive with a wheat shipment and then Italian indigenous stocks would be used. However, according to the Armistice terms the basic responsibility for caring for such displaced persons rests with the Italian Government and Allied Commission will follow through with the Italian Government officials to see that their responsibility is properly discharged. Colonel Walton asked that Lt. Col. Cowper report on the size of this involvement for the information and guidance of Allied Commission.

4. It was requested by Colonel Walton that Colonel Parker advise Mr. Halford with regard to the source of Bolzano electric power and the location of a specific power plant.

5. Colonel Walker reported that the emergency in the Sardinian coal mines caused by the non-delivery of detonators was through lack of coordination between the various Italian Government departments. Allied Commission rushed delivery of sufficient detonators to supply the mines for the next ten days and has made efforts to correct the situation so far as future operations are concerned.

6. Colonel Walton reported that Capt. Rothey has received a new telegram with reference to the ARSA coal which had been confiscated by AMG. On the basis of facts set forth in this telegram concerning the importation of the coal and the report that it is now being sold at less than the cost to the original consignee, Colonel Walton asked that Colonel Walker consult with Captain Rothey in an effort to verify these facts and perhaps make recommendations as to necessary adjustments.

7. Colonel Walker reported that the coal strike in the States will have a serious effect on importations of coal from the States to Italy. It is anticipated that for the month of April, in addition to scheduled importations from the States, 54,000 tons of coal are to be received from South Africa and from the Shur 36,000 tons over a three-month period beginning about the first of May. Less than 10,000 tons are required for military purposes.

8. Lt. Colonel Scoggins reported that the railroad line has been opened between Arezzo and Florence which will reduce travel time to Florence by 3 to 3 1/2 hours.

9. Colonel Parker reported that all electric power rationing control measures have been removed in Northern Italy, except for certain restrictions on electric boilers. A conference is now in progress in Rome with all Italian electric power companies for an overall programming of operation and supply and a systematic analysis and readjustment of rates and tariffs.

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10. Lt. Arensberg reported that Venezia-Giulia requirements have not yet been submitted. Colonel Walton instructed that these go forward immediately and be limited to the Disease and Unrest formula.

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11. Lt. Col. Snapp reported that military horses in the North will have to be disposed of by AMG and instructions are being sent out now by the Accounting Branch as to procedure. Also, AFHQ has indicated that the timber allotment made by the Italian Government is unsatisfactory. This matter will be taken up with the Government officials.

12. Major Smith stated that monthly reports are to be prepared in both abridged and unabridged form and submitted on or before April 12. Colonel Walton stated that for the time being the final reports previously requested by Mr. Cleveland would be held in abeyance pending further instructions.

Meeting adjourned at 12:25 hours.

NORMAN L. SMITH
Major, AGD
Chief Staff Officer

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requested by Mr. Cleveland would be held in abeyance pending receipt of instructions.

Meeting adjourned at 12:25 hours.

NORMAN H. SMITH
Major, AGD
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO 3
ECONOMIC SECTION

Ref: 1.27/8S

28 March 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 27 MARCH 46

PRESENT:

Economic Section	Col. C.W.Walton Lt.Col. C.G.Webster Maj. N.R.Smith Capt. T.D.Morgan Lt. J.W.Barber Lt. R.W.Henley
CC Branch	Maj. F.C.C.Bates
Industry & Utilities Branch	Col. H.M.Walker Col. G.F.Parker Lt.Col. F.R.Tooby
Finance Branch	Lt Col. B.E.L.Timmons
Food & Agriculture Branch	Lt.Col. V.F.A.Cowper Lt.Col. H.M.Snapp
Commerce (FT) Branch	Capt. C.....T.Rothay
WG/Udine Sup.Opns.Branch	Lt. J.M...rensberg

Meeting opened at 1130 hours, Colonel Walton presided.

1. Col.Walton reported on the meetings with Mr.Hoover.

2. Lt.Col.Cowper gave a report on grain shipments and expected arrivals. Up to March 24, clearances of wheat from U.S. ports has been: UNRRA, 130,000 tons; FEA, 24,000 tons, and it is expected that a further 24,000 tons on the UNRRA account will be shipped before the end of March.

Present information regarding the April situation is, that present certifications have been issued to procure and ship 100,000 tons of wheat in April and in addition, they are hopeful of shipping the accumulated UNRRA backlog of 175,000 tons accrued from January through March.

Col.Cowper further stated that the prospects were good in receiving 15,000 tons of maize from Argentina for March or April.

The sugar supply is considered adequate to cover the needs until July.

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CCS Branch	Maj. R.C.G.Bates
Industry & Utilities Branch	Col. H.M.Welker Col. G.P.Parker Lt.Col. F.W.Tooby
Finance Branch	Lt.Col. B.E.L.Timmons
Food & Agriculture Branch	Lt.Col. W.B.M.Cowper Lt.Col. R.H.Shapp
Commerce (FT) Branch	Capt. C.W.F.Rothey
PG/Udine Sup.Oprs.Branch	Lt. J.M.Arensberg

Meeting opened at 1130 hours, Colonel Walton presided.

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Col.Cooper further stated that the prospects were good in receiving 15,000 tons of maize from Argentina for March or April.

The sugar supply is considered adequate to cover the needs until July.

3. Capt.Rothey gave a brief report of the Commerce Branch. He stated that they expected a bulk release of Italian cotton textiles to be exported to Egypt and countries of the western hemisphere.

The Italian Government has not presented the final program, but an interim program has been submitted and approved.

4. Col.Walton asked us to what date he could expect all grain requirements, as he would like to submit the report as soon as possible. 2666

5. Col.Parker stated that the contract for the sale of electrical power to France has been made, however, the electrical company has asked that the Allied Commission serve as arbitrator for the negotiations.

The Ministry of Public Works has called a conference with electrical power officials in order to discuss the power situation of Central and South Italy.

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6. Col.Walker reported that March arrivals of coal will be about 500,000 tons on all accounts. March loadings are also about 500,000 tons.

Coal has not arrived from the Ruhr as yet, but it has been reported as loaded.

The coal situation may become grave in the future as all indications point to a large scale coal strike in the United States. The Italian Government has been notified and allocations worked out.

7. Lt.Arensberg urged that all Venezia-Giulia Industry programs for the second half be returned as soon as possible.

8. Lt.Furber suggested that all files be put in good order (according to instructions) as to eliminate the rush and confusion of the closing period. He also suggested that secret files be downgraded if possible.

Meeting adjourned at 1215 hours.

NORMAN R. SMITH
Major, AGD
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
ECONOMIC SECTION

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Ref: 1.27/ES

21 March 1946

MAR 26 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 20 MARCH 46.

PRESENT:

Economic Section	Col. G.W.Walton Maj N.H.Smith Capt. T.D.Morgan Lt. R.W.Manley Lt. J.W.Durber
Industry & Utilities Branch	Col. H.L.Walker Col. G.F.Parker
C.E.M. Branch	Maj [illegible].G.Peters
Food & Agriculture Branch	Lt.Col. W.R.A.Cowper Lt.Col. [illegible].R.Snapp
Transportation Branch	Lt.Col. [illegible].P.Scoggins
Executive Commissioner	Maj. Holmes Capt. Riggio
Finance Branch	Lt.Col. R.E.L.Timmons
U.S./Udine -, Sup.Ops.	Lt. J.[illegible].Arenberg
Commerce (FT) Branch	Capt. C.A.F.Rothey

Meeting opened at 1130, Colonel Walton presided

1. The meetings of the Chief and Executive Commissioner did not develop anything new in regard to the future plans of the Allied Commission; however, there is a directive coming in that will define future A.C.activities. This directive may curtail the activities of the Economic Section.

2. Col. Walton asked that if any of the staffs are over burdened, the C.S.C. should be so informed, so that, if possible, a re-allocation of work or personnel can be made. Work loads should be reduced by turning over certain matters to other agencies.

3. The Chief and Executive Commissioner's meetings emphasized that this Section keep every one concerned well informed on the operations. Where it is not possible for this Section to supply all of the information needed, UNRRA and Italian Government agencies should be asked to furnish such material as

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[illegible] Branch	Maj [illegible].S.Bates
Food & Agriculture Branch	Lt.Col. W.R.A.Cowper Lt.Col. R.R.Snapp
Transportation Branch	Lt.Col. W.P.Scoggins
Executive Commissioner	Maj. Holmes Capt. Riggio
Finance Branch	Lt.Col. B.E.L.Timmons
A.C./Udine - Sup.Ops.	Lt. J.[illegible]renberg
Commerce (FT) Branch	Capt. G.A.F.Rothey

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4. Coal Situation.

Col. Walker gave a report regarding coal imports.

A report has been received on the shipment of German coal. This report, however, shows a shortage in the amount that was expected. Col. Walker stated that it was a definite fact that coal will be received from the Ruhr, and that UNRRA has representatives in Switzerland trying to affect coal shipments from that country into Italy.

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He also stated that there has been a Committee of five members

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appointed consisting of UNRRA, Ministry of Industry and Commerce, Ministry of Transport, Confederacy of Industry, and Bureau of Labor, to deal with the storage of coal, allocation, and to encourage the use of fuel oil where possible.

A message has been received stating that a shipment of arse coal coming into Italy was confiscated by Allied Forces in Venice. This matter is to be investigated.

Col. Walker announced that Italy has been accepted as an associate member of the Allied Coal Organization.

5. The Economic Section has asked for the authority to hire American Secretaries. There is a good possibility of securing certain U.S. Embassy personnel who were formerly F.S.S.A. inasmuch as they are scheduled to be released by the Embassy and returned to the United States.

6. Col. Walton has been notified by the Chief Commissioner that Ex-President Hoover is in Europe studying the food situation and is expected to visit Italy in the near future. His date of arrival in Rome, however, has not been announced. The Chief Commissioner directed that the Economic Section be in a position to give all of the pertinent facts on the food situation in Italy.

Col. Walton would like for each Branch, particularly Food and Agriculture, to make an analyze of the present economic situation as pertains to this Branch, in order to be able to give any information desired of them. The A/VP also requested that Food and Agriculture Branch be prepared to give pertinent information on the history during military responsibility and FSA periods, regarding food imports and the daily ration during these periods.

Maj. Smith, C.S.C., was asked to submit a report presenting the cost of living and wages during this period. The A/VP suggested that a chart be made giving these details covering various communities over a period of six months. These facts may be secured from Mr. Braine who was the Director of the Labor Sub-Commission.

7. Col. Walton said that the February reports discussing crop acreage seemed to be a little discouraging due to the lack rain fall; asked whether the March reports should show a great improvement.

8. The A/VP requested the following reports by midweek of next week:

Food & Agriculture Br - Crop forecast with all outstanding factors.

Industry & Utilities Br - Coal and P[illegible] supplies.

Transportation & Shipping Br - Any outstanding factors as may be furnished by the Ministry of Transport, Italian Government.

9. Lt.Col. Timmons, Deputy V.P. gave a general report on his visit to Venezia Giulia and Udine. He stated that [illegible]

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Ex-President Hoover is in Europe studying the food situation and is expected to visit Italy in the near future. His date of arrival in Rome, however, has not been announced. The Chief Commissioner directed that the Economic Section be in a position to give all of the pertinent facts on the food situation in Italy.

Col. Walton would like for each Branch, particularly Food and Agriculture, to make an analyze of the present economic situation as pertains to this Branch, in order to be able to give any information desired of them. The A/VP also requested that Food and Agriculture Branch be prepared to give pertinent information on the history during military responsibility and FMA periods, regarding food imports and the daily ration during these periods.

Maj. Smith, C.S.O., was asked to submit a report presenting the cost of living and wages during this period. The A/VP suggested that a chart be made giving these details covering various communities over a period of six months. These facts may be secured from Mr. Braine who was the Director of the Labor Sub-Commission.

7. Col. Walton said that the February reports discussing crop acreage seemed to be a little discouraging due to the lack rain fall; asked whether the March reports should show a great improvement.

8. The A/VP requested the following reports by midweek of next week:

Food & Agriculture Br - Crop forecast with all outstanding factors.

Industry & Utilities Br - Coal and POL supplies.

Transportation & Shipping Br - Any outstanding factors as may be furnished by the Ministry of Transport, Italian Government.

9. Lt.Col. Timmons, Deputy V.P. gave a general report on his visit to Venezia Giulia and Udine. He stated that if Directors of Branches desired any information about problems in this area, he would be glad to answer any questions.

10. Lt. Arensberg stated that all of the import programs were in with the exception of Commerce and Education Branches. The A/VP is very anxious to get these demands screened and forwarded as soon as possible.

11. Lt.Col. Snapp brought up the question regarding the excessive cutting of timber in the Udine area. He stated that correspondence has been forwarded to A.F.H.Q. requesting that this depleting of timber be minimized, and if possible select another location for future cutting.

12. Lt.Col. Scoggins stated that the Italian Government has been approached by the American Embassy to buy fifty (50) Liberty Ships. Financial arrangements have to be worked out, and when this is accomplished definite information will be given.

13.(a) Mr. Trevis in conversation with the Col. Walton, stated that only

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UNRRA requisitions have been put before the Combined Board in Washington, however they are now putting the Italian requisition plus UNRRA requisition before the Board. Captain Bothey has in hand.

(b) Col. Walton requested that the Italian Army, Navy, and Air Force requisition be stated in the Italian requirements, but that it should be so identified as it will have a high priority in Washington.

14. Col. Parker gave a full report on the electric power situation. It is considerably better at the present due to the recent rain fall and the rationing program. A Regional Committee for the conservation of electric power has been created for Central and South Italy. It will operate much on the same lines as that of the Regional Committee for North Italy.

15. Col. Parker stated that the prices of imported electrical supplies have increased to such an extent that Companies in southern Italy can not buy them, thus presenting an obstacle to the rehabilitation of electrical power plants in the South. He suggested that there be an allocation of these supplies to each company at a price that they can afford to pay, in order to put all companies on an equal basis.

16. Maj. Smith pointed out that when correspondence is received which is of interest to the Italian Government, a copy of the correspondence should go to the Ministry concerned.

17. For information to the secretaries of the various Branches, Col. Walton's signature is as follows:

CHARLES W. WALTON
Colonel, A.U.
Acting Vice President.

18. There were three sub-commission monthly reports outstanding, and the A/VP stated that he desired them as soon as possible.

19. Maj. Holmes asked that the Executive Commissioner's Office be kept informed as to action taken on correspondence sent to the Economic Section from that Office.

20. Directors of Branches were reminded that nine (9) American Officers are leaving 31 March, and that their work should be re-allocated to other members of their staff.

21. Col. Walton stated that it will no longer be necessary for Branches to have a Duty Officer or duty Clerk on duty during off duty periods.

The meeting adjourned at [illegible]

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The meeting adjourned at 1245.

HERMAN R. SMITH
Major AGD
Chief Staff Officer.

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

MAR 16 1945

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Ref: 1.27/ES

14 March 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 13 March 1946

Present:

Economic Section	Col. H.M. Walker Major N.N. Smith Capt T.D. Morgan Lt R.W. Henley Lt J.W. Durber
Food and Agriculture Br	Lt Col. V.R.A. Cowper Lt Col. R.R. Snapp
Industry and Utilities Br	Maj L.W. Laughlin Maj P.W. Jones Capt T.G. Elliott
Transportation and Shipping Br	Lt Col. W.P. Scoggins
Finance Br	Capt J. Cuthbertson
Commerce (FT) Br	Lt J.B. Cooper

Meeting opened at 1145. Col. Walker presided.

1. Col.Walker having just returned from the Chief Commissioner's meeting, stated that the future of A.C. had been discussed; however no new developments have occurred.

2. Col.Walker stated that the grain situation was very bad, and gave a full report on the subject.

3. Lt. Col. Cowper stated that the food situation was more precarious in Venezia-Giulia-Udine, as there is only enough to last until 20 March. A shipment of grain is expected about 30 March, therefore, UNRRA or the Army will be asked to bridge this gap. Stocks of all other types of food are adequate for a period of 2 months.

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	Capt T.D. Morgan Lt R.W. Hanley Lt J.W. Durber
Food and Agriculture Br	Lt Col. V.R.A. Cowper Lt Col. R.R. Snapp
Industry and Utilities Br	Maj L.W. Laughlin Maj F.W. Jones Capt T.G. Elliott
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4. A new assignment of office space has been allotted to the Economic Section. This Section will occupy all of the first floor, except the annex and two rooms now occupied by Archives, and enough space on the second floor for Industry & Utilities and Commerce Br.

Col. Walker suggested that each Branch look over its assigned area and determine its needs.

5. A coal report was given regarding present stocks and expected arrivals. The Italian Government has been notified that due to strikes in the United States, the arrival of coal may be delayed and in a smaller quantity, than previously expected. A definite plan to meet the emergency, if it occurs, has been worked out with the Italian Government.

Bringing coal from Germany is being vigorously pursued and it is hoped that some coal may be arriving from this source in time to help out in the expected emergency.

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The Chief Commissioner has stated that he wants the question of procuring Arsa coal reopened and that this subject should be taken up with G-5 AFHQ and 13 Corps in order bring about negotiations.

6. Major Smith, CSC, asked that when letters are written for the signature of the Chief Commissioner, or Executive Commissioner, the file copy should bear the concurrance of the originator.

7. It was announced that hereafter Economic Section Staff meetings will be held each Wednesday at 1130 hours.

8. Col. Walker announced that the Executive Commissioner's meeting is held on Tuesday at 0900 and the Chief Commissioner's meeting is on Wednesday at 1000. If there is any subject which should be discussed at these meetings, the material should be presented before these periods.

9. Col. Walton desires to have as soon as possible, the final reports which Mr. Cleveland asked all Sub-Commissions to submit.

10. Lt. Durber stated that if Branches had files to turn in they will be accepted, however ES Memorandum No 2 should be consulted in their preparation.

11. Lt. Durber asked that Branches handle their own civilian personnel problems, however if there are any surplus Italian personnel in any of the Branches, they should be reported to Lt. Durber so that they may be used elsewhere.

Meeting adjourned at 1230 hours.

NORMAN R. SMITH
Major, AGD
Chief Staff Officer

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HEAD-QUARTERS ALLIED COMMISSION
APO 394
Economic Section

15 February 1946

REF: 1.27/E3

FEB 25 1946

MINUTES OF JOINT ECONOMIC SECTION/BUREAU OF REQUIREMENTS AND DISTRIBUTION MEETING

Present :	
Economic Section	Mr. Cleveland Mr. Holstein Capt. Highland Lt. Barber Miss Wukasch
Supply Group	Col. Walton Major Smith Capt. Peterson
Requisition Branch	Mr. Lynch
C.E.M. Branch	Lt.Col. Campbell
Surplus and Special Materials Branch	S/Ldr. MacKenzie
Food and Agriculture Sub-Commission	Mr. Legg Capt. Germann Capt. Bliss
Industry and Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Major Fewings Dr. Rembert Major Ryland Major Laughlin Mr. Scriven Major Jones
Finance Sub-Commission	Lt.Col. Timmons
Commerce (Foreign Trade) Sub-Commission	Lt.Col. Tooby Major Soul
UNRRA	Mr. Bordess Major Duncan Miss Schiemann

Declassified E.O. 12356 Section 3.3/NND No. 785017

	Capt. Highland
	Lt. Durber
	Miss Wukasch
Supply Group	Col. Walton
	Major Smith
	Capt. Peterson
Requisition Branch	Mr. Lynch
C.E.M. Branch	Lt.Col. Campbell
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	Capt. Bliss
Industry and Utilities Sub-Commission	Mr. Sullivan
	Mr. Hayes
	Major Fewings
	Dr. Rembert
	Major Ryland
	Major Laughlin
	Mr. Scriven
	Major Jones
Finance Sub-Commission	Lt.Col. Timmons
Commerce (Foreign Trade) Sub-Commission	Lt.Col. Tooby
	Major Saul
UNRRA	Mr. Bordass
	Major Duncan
	Miss Shiemenna

1. Mr. Cleveland, in reviewing the developments of the past week, stated that there had been a reopening finally of private trade between the United States and Italy and the United Kingdom and Italy. There is no apparent difference now in the situation from what it was a week ago, but officially private trade was reopened today.

2. Mr. Cleveland also announced the arrival in Italy of Lt. Col. Aldo Raffo from Washington this week. Lt.Col. Raffo is to be the Regional Director for UNRRA in Milan. He has been working with UNRRA Washington on the wheat situation. He also brought with him Washington's idea of the supply budget for Italy.

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3. 1946 Program. The firm figure being talked about now, and which is up before the Central Committee of UNRRA for final approval, is 417 million dollars net counting administrative expenses and not counting freight. The total Italian figure includes the 1945 program and the 1946 program. The estimate is that the 1945 program amounts to around 34 million dollars, leaving 383 million dollars as the size of the total 1946 supply budget. Everything now to come out of the 383 million dollars, including the 5 million dollar surplus allocation and any other [illegible] expenditures in any foreign currency except lire; the wind-up of the 50 million dollar program; any displaced persons activities whether Italian or non-Italian, and, whatever special features we get during the year. Mr. Cleveland reported that he had sent a memorandum to the Sub-Bureau of Supply Operations asking them to call a meeting early next week with the Italian Government on this subject, in order that our people and the Government should jointly get up what amounts to a new Green Book. It is hoped that within the next two weeks, or not very much longer, it will be possible for us to publish our final view of what ought to come into Italy during 1946 as part of the UNRRA program. Simultaneously, Mr. Cleveland stated, Mr. Keeny is writing the Italian Government to get a firm Government estimate of the total amount of funds which the Government expects to be available for the purchase of imports into Italy in 1946 over and above UNRRA shipments, which will give an idea of whether the UNRRA program is 1/3rd of the total supply or 1/2 of it, and upon this proportion will depend the formulation of the UNRRA program itself.

4. Lt. Colonel Tooby stated that in order to get some kind of organization set up whereby the Italian Government could carry out UNRRA's wish to make firm allocations of materials, and also to see that the allocations were carried out, the Government this week came out with an organization which sets up two groups of sub-committees -- one in the North and one in the South -- answerable to a Central Technical Commission. The Central Commission consists of the Ministers of Industry and Commerce, Transport, Public Works, Agriculture, and Merchant Marine, with the Minister of Industry and Commerce in the chair. We have not yet received official statement of the details.

5. Mr. Cleveland stated that there were two somewhat different discussions going on with regard to rehabilitation. One is the working out of detailed procedure for allocation, control of inventories and determinations of end-use through joint decision of the Italian Government and UNRRA. Dr. Bomberti has been working on that for a couple of months and finally Minister Gronchi has approved it and it is going ahead. The other set of discussions has been on the form overall Allied collaboration with the Italian Government and with its Technical Commission; determining what kind of group there will be to continue to render general advice and assistance in reconstruction and financing, but this is still unsettled.

6. Col. Mr. Cleveland asked Major Lewis to report on the coal

to call a meeting early next week with the Italian Government on this subject, in order that our people and the Government should jointly get up what amounts to a new Green Book. It is hoped that within the next two weeks, or not very much longer, it will be possible for us to publish our final view of what ought to come into Italy during 1946 as part of the UNRRA program. Simultaneously, Mr. Cleveland stated, Mr. Keeny is writing the Italian Government to get a firm Government estimate of the total amount of funds which the Government expects to be available for the purchase of imports into Italy in 1946 over and above UNRRA shipments, which will give an idea of whether the UNRRA program is 4/5ths of the total supply or 1/2 of it, and upon this proportion will depend the formulation of the UNRRA program itself.

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6. Coal. Mr. Cleveland asked Major Jones to report on the coal situation. Major Jones stated that he did not have an optimistic attitude about the prospects. Although the amounts allocated will probably be shipped, they are far below the amount previously programmed by UNRRA and much lower than the Italian requirements. He stated that from discussions in London with the United States members of EEC that he felt there was little chance of getting the quantity increased. The United States is now exporting 14 million tons of coal, which is the absolute maximum, and Italy's portion will come out of that. The only chance for increase would be to get Italy's share increased over what was being sent to other countries and that is not likely. Major Jones reported that while other countries are developing their own resources that the recovery is slow and they are still far behind their requirements. The attitude seems to be, too, that associated countries of EEC should receive lower percentages than non-member countries. Major Jones said it was proposed to base allocations on pre-war consumption between years 1935 and 1938, but whether that would increase Italy's chances of getting more coal is not certain. He felt the only chance of getting more coal for Italy would be to get the proportionate share of U.S. exports increased. As for the possibilities of obtaining coal from the

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Mr. Major Jones reported that this was being considered by the ECO and they hope to get 100 thousand tons from this source; but there is also the possibility of a general coal strike in the States at the end of March, which would upset the entire program, and this 100 thousand tons would have to be used to offset the loss of coal shipments from the States. Major Jones also reported that there was not the slightest possibility of improving the type of coal received. However it is possible that while the current steel strike in the States lasts, a better type of coal may be received, but otherwise there is no way of improving the quality. There seems to be few other sources of coal -- Polish coal is largely being used by Russia. There is a possibility of getting some Turkish coal, but it is extremely expensive. At the moment France is using some Turkish coal and will report to ECO on its general desirability. London made it clear to Major Jones that there could be no special program for Venezia-Giulia and that Venezia-Giulia would have to be provided for out of the Italian program. He stated that London would probably reduce the total Italian program to provide for Venezia-Giulia.

7. Mr. Cleveland stated that ECO and UNRRA had taken the position with Washington, London and AFHQ that UNRRA coal couldn't be used for Venezia-Giulia, and that is where the situation stands at the moment. In fact, no UNRRA ships are to be diverted to Venezia-Giulia unless it is a short-term repayment possibility, but so far as looking for that repayment that never comes, it just cannot be done on the UNRRA program. Mr. Cleveland asked Mr. Lynch to prepare a directive to the staff saying that until further notice no UNRRA ships will be sent into Venezia-Giulia, except on specific authority from either Mr. Cleveland or Mr. Keeny.

8. Wheat. Colonel Berg reported that the wheat situation is very grim. The loadings for February are between 700 thousand ton more, but that should be appraised downward rather than upward. During February a reduction in ration from 300 grams to 225 grams was made, and there were no serious repercussions, and it is possible that a further reduction will have to be made. There is no prospect of getting more wheat into the Command. At the present time it is not possible to state what the crop here will be this year. These figures will probably start coming in about March, and in mid-March it should be possible to make an estimate on the crop, depending of course on the weather conditions. Capt. Germann stated that the conditions are normal at the present time, but the next 60 days will decide the crop. The seeding has been reported as greater than last year. At the present all that can be said is that conditions are normal with prospects of a fair to average crop.

9. Mr. Cleveland asked that as soon as possible figures be compiled as to crop prospects for use as preliminary data for planning purposes. Mr. Cleveland pointed out that particularly on the UNRRA operations, since they are short-term operations, we must think in terms of the problem for 1947 and spread records and information on the desks of the people in Washington and London as to what will happen after UNRRA. While we can't determine the form of that decision we can state the economic facts around which the decision has to be made, and state them with

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10. Mr. Cleveland stated that there had been considerable discussion on the subject of road transport, particularly the question of UNRRA procurement and maintenance of load-carrying vehicles and personnel-carrying vehicles. He stated that he wanted to get down on paper as the whole supply and demand schedule for UNRRA trucks, since it looks as if the Bureau of Requirements and Distribution would have responsibility of procuring and maintaining a considerable number of trucks which are used for special relief work, as well as an emergency fleet of an undetermined size.

11. There has been no overall directive received as to the future status of Allied Commission. Mr. Cleveland stated. Another piece-meal directive was received on 13 February. It stated as out of the FY supplementary program. We are

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now closing that up and making preparations for a final report to the Italian Government on this program.

12. Colonel Fulton inquired about the responsibility of his Sub-Bureau for operating ports. Mr. Cleveland stated this responsibility would be only for the emergency fleet, since all others would be allocated out.

13. Mr. Holstein stated that it was necessary to submit, immediately, the charts and statements of organization and functions for each sub-bureau division and branch, so that all problems could be discussed and settled with Mr. Joseph of UNRRA London who is here for only a few days. To date there has been no formal approval of our budget; Mr. Joseph has complete authority to remove this obstacle if he is satisfied with our planning. Mr. Holstein also stressed the necessity of appointing only capable Italian employees to the UNRRA organization.

14. Lt. Durbar stated that he was working on the new British BZ and that it had turned out quite smoothly because it was based on prior planning; all Sub-Commissions have concurred. There is one snag which involves British civilians in the Labor Sub-Commission, and Mr. Cleveland suggested that Lt. Durbar review this situation with Mr. Bruins, Director of the Labor Sub-Commission and submit a memorandum to him.

15. A canvass was made of the Sub-Commissions to determine the staffing position if immediate transfer is made to UNRRA. It appeared that there would be no great difficulties. It was urged that every precaution be taken to retain military personnel who have not yet obtained releases for transfer to UNRRA, until such time as they can be transferred, so that they will not in the meantime be declared surplus under Army regulations.

16. Mr. Cleveland warned that the date of 1 March, for the final transfer of all personnel and functions was only an earlier estimate and is not firm.

17. Mr. Holstein explained the UNRRA cable system and stated that all personnel must cooperate in cleaning up a large backlog. He also referred to the question of transient facilities and said that at the last Executive Commissioner's meeting it was agreed to provide a list of military facilities that would be available to personnel in travel status. Hereafter notices of any changes in those travel facilities would be published in the AF Daily Bulletin. Information on UNRRA facilities is also being obtained.

18. Colonel Timmons reported that since 6 February the Italian Treasury has been applying the new exchange rate to all commercial remittances, and that virtually all transactions are now being carried out at the new rate.

The meeting adjourned at 1:15 p.m.

Declassified E.O. 12356 Section 3.3/NND No. 785017

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The meeting adjourned at 1:15 p.m.

HERBERT HOLSTEIN
Chief Staff Officer

Distribution:

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USFA :
Chief of Mission
Bureau of Relief Services
Bureau of Finance and Administration

Declassified E.O. 12356 Section 3.3/NND No. 785017

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HEADQUARTERS ALLIED COMMISSION
APO 394
Economic Section

REF: 1.27/SS

25 January 1946

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 25 JANUARY 1946

Present:

Economic Section	Mr. Cleveland Col. Densmore Mr. Holstein Capt. Highland Mr. Gelbach Miss Wukasch Lt. Durber
Supply Group	Capt. Peterson Capt. Morgan
Requisition Branch	Mr. Lynch Mr. Chocchi
C.C.C.	Maj. Bates
Executive Commissioner's Office	Maj. Holmes
Transportation & Shipping Sub-Commission	Col. Buchanan Lt.Col. Scoggins
Surplus & Special Materials Branch	Mr. Dickens
Food and Agriculture Sub-Commission	Mr. Legg Mr. Imrie Capt, Germann Capt. Bliss
Industry & Utilities Sub-Commission	Mr. Sullivan

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Economic Section	Mr. Cleveland Col. Densmore Mr. Holstein Capt. Highland Mr. Gelbach Miss Wuknach Lt. Durber
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Requisition Branch	Mr. Lynch Mr. Checchi
C.E.M.	Maj. Bates
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Transportation & Shipping Sub-Commission	Col. Buchanan Lt.Col. Scoggins
Surplus & Special Materials Branch	Mr. Dickens
Food and Agriculture Sub-Commission	Mr. Legg Mr. Imrie Capt, Germann Capt. Bliss
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Col. Parker Maj. Fewings Maj. Shapiro Maj. Ryland
Finance Sub-Commission	Lt. Col. Timmons
Commerce (Foreign Trade) Sub-Commission	Lt. Col. Tooby Maj. Saul
Venezia Giulia, Liaison Officer	Maj. Duncan
Coal Division	Col. Walker
UNRRA	Mr. Bordass Lt.Col. Koenigsbert Mr. Ellison Mr. White Mr. Morgan

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Meeting opened at 11:30 a.m., with Mr. Cleveland presiding.

1. Mr. Cleveland stated that he had some useful information which he received in a telephone conversation with Washington last night. It appears that the problem of not being able to get crews for American ships has now been pretty well solved and is no longer a limiting factor. The strike situation in the U.S. is going to continue to have a serious effect on our supplies however. There are two or three major strikes, including the Meat Packers and the Steel Industry. There is expected to be a strike-vote next week by the Railroad Brotherhood which may cripple the whole transportation system.

2. A Tripartite Economic Council is being considered quite favorably in Washington. It may well be that they will set up some sort of a group representative of the Italian Government, and British and American Embassies. It is not quite clear as yet what form it would take. This proposal is a much more serious possibility now than at any time in the past.

3. February will be the worst month on the wheat problem. The total allocation of wheat from the U.S. to all UNRRA missions is 230,000 tons. This is considerably under all our Italian requirements. Of the 230,000 tons, Italy will get 160,000 and may be able to bring it up by another 100 or more.

4. The Italian Government in Washington has taken the first step to increase the foreign exchange available to it during the coming year over and above the UNRRA appropriation. A proposal has been made to the State Department and the Export-Import Bank for a "blanket" loan of $900 million dollars; however, they will probably not get that much. Apparently, however, the atmosphere is changing a little and they are beginning to think of loans for imports. This situation may change with the work we will be doing in the next two or three months.

5. It appears that as of December 31 the backlog of unshipped, allocated coal came to 502,000 tons. That backlog will continue to be shipped on an FEA basis until they get it all out, about February 10. There will be no coal received on an UNRRA basis probably until after February 10 loadings. There will be about 400,000 tons shipped out during the month of January by FEA.

6. Mr. Cleveland was asked to make a snap decision regarding the shipping of nitrates from Chile in bulk. Due to strikes in Chile they seem unable to bag the nitrate before shipping. Mr. Cleveland answered that he thought it would be all right to ship it this way. He asked Capt. Gurnam

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6. Mr. Cleveland was asked to make a snap decision regarding the shipping of nitrates from Chile in bulk. Due to strikes in Chile they seem unable to bag the nitrate before shipping. Mr. Cleveland answered that he thought it would be all right to ship it this way. He asked Capt. Germann whether this was correct. Capt. Germann stated that he thought since there seemed to be no alternative that the best thing to do would be to hire some specialized labor to unload the nitrate when it arrives. Mr. Lynch suggested that Italy should be prepared for this in advance and also that a cable should be sent to Washington for details of how the nitrate was loaded previously, whether partially in bags or completely in bulk with the bags on the side. Mr. Cleveland agreed to this.

7. UNRRA Italian budget still being discussed in terms of $375 millions as the amount plus cost of freight and administrative costs here in Italy bring it up near $450 millions. The $375 millions may be brought up another $8 millions, making it $383 millions. The whole proposal for Italy will go to the UNRRA Central Committee consisting of the Big Four plus a few other powers. This is the top legislative authority in UNRRA. That Committee will receive this whole budget within the next two weeks, or maybe 1 week, and we should know what the action will be. There will probably be no trouble about the $375.

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8. Lt.Col. Timmons stated that arrangements were proceeding for the transfer of any balance in the net troop expenditure account to the sole control of the Italian Government as of 1 February 1946. The transfer of the account will be effected by an exchange of letters between the U.S. Government and the Italian Government, and Dr. Tasca, U.S. Treasury Representative in Rome is handling the matter with the Italian Government .

9. Mr. Cleveland stated that he had been informed by Washington that all but $25 millions of the Net Troop Expenditure Account had been committed. It appears, however, certain outstanding charges may not have been taken into consideration, and it is possible that the uncommitted balance of the account is less than $25 millions. Lt. Col. Timmons stated that the total of $140 millions that has been credited to the Net Troop Expenditure Account approximately covers the period through 30 June 1945, so that the Italian Government will received a dollar credit, though at a diminishing rate, for the last half of 1945, and for 1946 as long as any American troops remain.

10. Mr. Cleveland said there still was no word on the basic cable as to the remaining functions of AC. This answer will probably be coming soon but so far nothing has been received. A cable was received two days ago in the TAB series taking us out of the business of reviewing the Italian export position. The only function this leaves us with is forwarding of applications to Washington for allocations of both import and export items on the Reserved Commodity Lists and the cables received indicate that eventually this will be handled through another channel, probably as soon as instructions have been given to the Italian Government through the American and British Embassies.

11. Mr. Holstein was asked to explain what was being done regarding the new Regional Organization for UNRRA. He explained that a draft of an Administrative Order had been prepared and sent over for comments. Mr. Holstein said he had requested UNRRA that we be given sufficient time to study the problem. It was thereupon decided that if UNRRA put out the Administrative Order on the Regional Organization at the present time that it would do so with no reference to the economic functions. This matter is still under discussion by Mr. Keeny. It was suggested that Lt.Col.Koenigsbert and Mr. Ellison, recently appointed Regional Directors for UNRRA, get together with the heads of each Sub-Commission and talk out the ideas they may have as to how they should proceed. It was felt that in that way each part of the organization would have an opportunity to record its own ideas and how they should be carried out.

12. Mr. Cleveland requested Lt.Col. Tooby to give an account of his recent visits to Paris and London. Lt.Col. Tooby said that his Paris visit was concerned largely in trying to get the French to supply phosphate rock. The problem was that unless the Italians get phosphate rock in for the 1946

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13. The question was raised as to what had happened to the contributions the British had made toward the September-December loading program. Lt.Col. Tooby stated that the problem had been shipping and dock troubles in England. Of the wool, 5,000 tons promised had been procurred and will be supplied from U.K. stocks. 1,000 tons have been shipped already, first shipment was on 9 December. The other 4,000 tons is coming forward just as quickly as they can get in on ships. 570 tons of rubber has been procurred, 380 tons shipped last week. The jute control people said that the jute had been procurred in India and would sail the first half of February. Lt.Col. Tooby said also that there was a world shortage of cotton yarn for hand weaving

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and especially in the middle eastern countries. He said due to the tremendous shortages we should find out whether the yarn spinning of Italy can be used for that need. He also reported that Britain is very much concerned about reports of supplies coming into Italy only to be taken away by military forces either for use in Italy or export for military forces elsewhere. Britain would like to be better informed in this connection. He further stated that they were very well aware of our problems but completely unable to help Italy in money or supplies other than what they are already doing under UNRRA.

14. Col. Legg raised the question of what had been done in connection with simplifying the UNRRA correspondence and cable procedures. We are trying to get a revised system out as rapidly as possible. It was brought out that many things were coming through Mr. Cleveland's office, but that he must continue to require this until he is satisfied that the "two-hat" plan of operation is functioning smoothly. Some sort of decentralization will have to be made on this.

15. Mr. Cleveland reported that he had talked with Minister LaMalfa last night and there is talk about a National Economic Council which would include agricultural, labor, and other representatives. Probably quite a few people will be included and it was suggested that executive committees should be concentrated in certain areas, possibly in the North. Mr. Cleveland said that he thought we might participate in such discussions in the future.

16. In connection with the world shortage of cotton yarn, Maj. Saul said that during the last three or four weeks contracts have been struck for something in the region of 9,000 tons of cotton yarn for export from Italy. One item alone consisted on 2,000 tons of yarn going to Palestine, the balance of 7,000 tons going elsewhere in the near East. Almost the entire yarn capacity of Italy promises to be contracted for within the next couple of months. Arrangements for 34,000 tons have been made, 13,000 tons of cotton to be exported and the balance of 21,000 tons to be left in Italy. The total need for Italy is only 67,000 tons.

17. Maj. Saul also stated that in connection with phosphate rock, the previous agreement for monthly shipment of 100,000 tons still stands and is independent of the negotiations described by Lt.Col. Tooby. (item 12)

18. Lt.Col. Timmons said that the policy decision had been received from AFHQ on the setting up of customs controls along the eastern border of Udine Province and along the Morgan Line. The Udine control line will be operated by the Italian customs Service and the control along the Morgan line will be operated by AMG Venezia-Giulia. No customs tariffs or other fees will be charged on the movement of goods between Zone A and Italy proper. The Italian Government will, however, be allowed to charge customs duties on goods imported from non-Italian sources. The Italian customs officials appeared receptive to the suggestion that goods of undisputably [illegible] be allowed import into Italy proper, free of customs duties.

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19. Lt.Col. Timmons stated that the Italian Government had accepted the currency agreement proposed by FAN 583. The effect of this agreement will be that the Italian Government will recognize specifically that it is responsible for the issuance of AM lire both past and in the future. The agreement will unify the Italian currency so that there will only be one currency issuing authority in Italy.

20. Col. Densmore raised the question on the closing out of certain portions of the Economic Section. He said that on the American side they were anxious to find out the release date of the American Officers, whether they would be available by February 1, February 15, or March 1. Those officers who have signed up for immediate release will just stay in the Sub-Commission until they get orders. Unless they have enough points some will have to be reassigned. G-1 American wants to know when they can have these officers for reassignment.

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21. Col. Densmore also stated that each Sub-Commission had received a copy of War Department Circular No. 337 on the Army Commendation Ribbon, all on the American side. It provides that the Commendation Ribbon may be given to the members of the Armed Forces of the U.S. Paragraph 10 of this circular states " It is desire of the War Department that the Commendation Letter and Ribbon be given freely to Junior Officers and Unlisted Men ". Col. Densmore asked each Sub-Commission to check back on all the Officers who have been with them in the past and see that everyone deserving received this commendation and also that it is put on their record .

22. Capt. Morgan stated that a letter had gone from the Chief Commissioner to the Prime Minister in connection with the feeding of the Italian Army. It was suggested in the letter that they set aside from indigenous stocks and stocks purchased from YT funds food for the Army in the future, and also repayment to the Allied Forces. It also asked when the Italian Government would be prepared to take over the feeding of its Navy and Airforce.

The meeting adjourned at 12:30 hours.

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CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref.: 1:27/ES

1 February 1946

FEB 5, 1946

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 1 FEBRUARY 1946

Present:

Economic Section	Mr. Cleveland Capt. Highland Miss Wukasch
Supply Group	Capt. Peterson
Requisition Branch	Capt. Morgan Mr. Lynch
Food & Agriculture Sub-Commission	Mr. Legg Maj. Whydon Capt. Bliss
Commerce (FT) Sub-Commission	Lt. Col. Tooby Major Saul
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hynes Col. Parker Maj. Jennings Maj. Hyland
Finance Sub-Commission	Lt. Col. Timmons
Transportation Sub-Commission	Colonel Buchanan Lt. Col. Scoggins
Executive Commissioners Office	Maj. Holmes
Captured Enemy Materiels Branch	Major Bates
Fuels Dept.	Mr. Scrivens

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Fuels Dept.	Mr. Scrivens
S & S.M. Branch	Mr. Dickens
XIII Corps	Major Duncan
UNRRA	Lt.Col. Bordass

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Meeting opened at 11:30 o'clock. Mr. Cleveland presided:

1. There have been no further developments as to the future of the Allied Commission.

2. According to telephonic advice from Washington, the wheat situation has been brought to the attention of the highest levels in Washington. It will be taken up before the Cabinet within the next couple of days. In January they actually shipped about 220,000 tons, bought on both FEA and UNRRA account, and in February they hope to get out a little bit more than that.

3. On the coal situation, they got out 90 ships last month (January), which means that we are back up again into the 400,000 tons category, which we had slipped out of for two months running. The allocation for February is 432,000 tons. An interesting angle in this regard is that the steel strike is the first strike that has been beneficial, so far as the Italian picture is concerned. There is a temporary surplus of coal for export on account of the steel strike.

4. On the other hand the strike in Chile will have the effect of shutting off for the moment shipments of nitrate and also shipments of copper. This has the incidental effect of shutting off Peruvian cotton, because the cotton is loaded on the same ships as copper from Chile. Although the duration of this is unpredictable, it can be assumed that for a couple of weeks at least there will be a stop in the shipments from South America of these commodities.

5. There are a number of policy questions affecting the relationship between UNRRA and the Italian Government which are now in various stages of discussion. The agreement was signed a couple of weeks ago. There will be circulated to all Sub-Commissions the agreement and the letter from the Prime Minister to Mr. Keeny and his reply, which preceded the signing of the agreement. The most important things these letters dealt with was the question of price policy and the desire for a uniform price system, rather than the creation of a special price system for the UNRRA supplies alone. It is being discussed this afternoon in specific form in a meeting being arranged by Mr. Legg on the pricing of seed potatoes, which are really the first of UNRRA supplies under the 1946 program to arrive, largely, perhaps, because their purchase was arranged some time ago and they just happened to arrive in the beginning of 1946. The Agriculture Division put up a good letter and policy statement on how the seed potato problem ought to be handled and it should set off a profitable discussion.

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6. A letter has been sent to the Prime Minister from Mr. Keeny on the procedure for the reception of UNRRA supplies at the port, establishing the principle that UNRRA would like to turn them over, as AC has been doing, at the end of ship's tackle or ship's rail. There is to be discussion with the Government on this subject and it is hoped that an agreement can be reached within the next few days. This is important for if 69,000 tons of wheat have been shipped within the last week or so, which is the first UNRRA shipment, they will soon begin to come into the ports and there must be some early agreement.

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7. Discussion is going on here and in Milan on the procedure for imported industrial materials. The problem is a bit complicated because an agreement had been reached between CIAI and the Under-Secretary of Industry and Commerce and Dr. Rembert and others who participated up there; however, when the actual printing of forms and instructions was about to start, it was discovered that Minister Gronchi's views did not correspond with those formed in Milan. There must, therefore, be further discussion before an agreement is reached. The basic principle which must be established is that the imported industrial materials are used in those places and for those purposes which result in essential supplies being produced and distributed to people who need them at the prices they can afford to pay.

8. Another question of UNRRA policy which has come up during the last week is that of using Italy as a base for manufacturing materials for other countries. The question has been discussed in Washington, and approval has now been given to the manufacture here of fish net twine for Greece, Yugoslavia and China out of Egyptian cotton UNRRA will ship in. This represented the acceptance of a principle we have been urging for some time.

9. There have also been discussions on petroleum during the last week. The Army-Navy Petroleum Board has come into the picture and is acting in a sense as agent for UNRRA in procuring, shipping and turning over to CIP the petroleum products paid for with UNRRA money. Under the present arrangement they will continue to do this only until the end of March. Apparently no firm arrangement has been made for the procurement and shipment of POL after that date. The program for April has been submitted, but as yet the procedure is not known.

10. Mr. Bruno Luzzatto, who was here in November, is returning as Chief of the Sub-Bureau of Industrial Rehabilitation in UNRRA and is scheduled to arrive in two or three weeks.

11. Miss Dena Shinnamm has just arrived from the UNRRA personnel office to work for Mr. Holstein. She is going to London to see if she can recruit some stenographers and secretaries for the Mission, primarily for the Bureau of Requirements and Distribution. There will also be an attempt made to secure stenographers from Washington.

12. Asked about progress being made in preparing for the transfer from AF to UNRRA, Embassies or other agencies, Mr. Legg stated there are two aspects so far as his group is concerned. From an operating standpoint they are fairly well advanced. So far as the UNRRA supply organization goes, it has been completely absorbed into the Sub-Bureau of Relief Supply [illegible]

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12. Asked about progress being made in preparing for the transfer from AC to UNRRA, Embassies or other agencies, Mr. Legg stated there are two aspects so far as his group is concerned. From an operating standpoint they are fairly well advanced. So far as the UNRRA supply organization goes, it has been completely absorbed into the Sub-Bureau of Relief Supply. Certain officers who have been recruited as supply officers are now functioning under the Chief Supply Officer in the UNRRA building and carrying out all regular routine work. The Medical Supply Branch is functioning as before. The 2675 Relief program is functioning as a sort of separate entity at present, purely on an UNRRA basis. The heads of the Food Division and the Consumer Goods Division are in position; have visited UNRRA and are in the course of picking up their dual responsibility on a two hat basis. They have been functioning on solely an AC basis here but are fairly well advanced on the general merger. Should AC terminate immediately, there would be no great operating difficulty in the Sub-Bureau of Relief Supply. Certain of the personnel earmarked for recruitment to UNRRA have been dispersed, and it has become necessary to look for new personnel, particularly on the Supply Officer side. As yet no Executive Officer has been secured, though he is supposed to return on the 23rd. All of this creates a strain since the Sub-Bureau is functioning on the AC and UNRRA national programs, plus the UNRRA Relief Program, with only about one-third of the required personnel.

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13. Capt. Peterson stated that supply operations are reasonably well set with the exception of Program Coordination and Statistics, where there is a personnel deficiency, both on the Allied and the Italian side. A Table of Organization had been set up and people to fill those vacancies were being interviewed. Papers on a few likely prospects are being processed to UNRRA. Some of the personnel will have to be imported, especially highly trained statistical people who are required. It is hoped that UNRRA will agree to a higher wage level to attract trained Italian economists.

14. The transfer of the Industrial group to the American Embassy, according to Mr. Sullivan, is relatively simple but is being delayed pending receipt of authorization from Washington on certain aspects of that assignment.

15. Lt. Col. Tooby brought out the fact that there are many individuals, primarily among the Military, who are in doubt as to their future assignment and suggested that some form of disposal information be issued. It was his feeling that the heads of the various Sub-Commissions had selected such personnel as they wished to accompany them to UNRRA but had been delinquent in advising the others that they would be surplus. After general discussion, it was concluded that the responsibility rested chiefly with the Directors of the Sub-Commissions who should determine that each Allied member of their staffs is fully informed of his status.

16. With reference to the Italian personnel, Mr. Cleveland remarked that there had been a tendency to defer action in favor of more immediate problems. This, he felt should be rectified. It was his suggestion that each Sub-Commission screen the Italian employees, determining which he wishes to take with him and refer the balance to the Adm. and Personnel Branch, where Mrs. Leibel will be working with Lt. Durber and Lt. Henley in an effort to sort out the personnel which are surplus to the new operations and determine the actual processing of personnel papers for the ones that are going to UNRRA. Further in this regard, Miss Shiannna is interviewing the various Directors and has requested a list of Italian personnel, broken down into groups of those required and those who are surplus. To prevent loss of desired locally hired personnel, many of whom are seeking other employment because of the uncertainty of their positions, a notice of procedure will be issued.

17. It is expected that the Italian Government will announce the reopening of foreign trade some time during the next week. We may, however, receive some further comments from Washington or London before the

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being delayed pending receipt of authorization from Washington on certain aspects of that assignment.

15. Lt. Col. Tooby brought out the fact that there are many individuals, primarily among the Military, who are in doubt as to their future assignment and suggested that some form of disposal information be issued. It was his feeling that the heads of the various Sub-Commissions had selected such personnel as they wished to accompany them to UNRRA but had been delinquent in advising the others that they would be surplus. After general discussion, it was concluded that the responsibility rested chiefly with the Directors of the Sub-Commissions who should determine that each Allied member of their staffs is fully informed of his status.

16. With reference to the Italian personnel, Mr. Cleveland remarked that there had been a tendency to defer action in favor of more immediate problems. This, he felt should be rectified. It was his suggestion that each Sub-Commission screen the Italian employees, determining which he wishes to take with him and refer the balance to the Adm. and Personnel Branch, where Mrs. Leibel will be working with Lt. Durber and Lt. Henley in an effort to sort out the personnel which are surplus to the new operations and determine the actual processing of personnel papers for the ones that are going to UNRRA. Further in this regard, Miss Shiamanna is interviewing the various Directors and has requested a list of Italian personnel, broken down into groups of those required and those who are surplus. To prevent loss of desired locally hired personnel, many of whom are seeking other employment because of the uncertainty of their positions, a notice of procedure will be issued.

17. It is expected that the Italian Government will announce the reopening of foreign trade some time during the next week. We may, however, receive some further comments from Washington or London before the release is finally issued.

The meeting adjourned at 12:30

ELWOOD HOLSTEIN
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref.: 1.27/15 16 January 1946

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 16 JANUARY 1946

Present:

Economic Section	Mr. Cleveland Mr. Holstein Capt. Highland Miss Wikesen Mr. Colbeck Mr. Stouffer Lt. Durber
Supply Group	Col. Walton Capt. Peterson
Requisition Branch	Mr. Lynch
C.C.C. Branch	Lt. Pine-Coffin
Transportation Sub-Commission	Lt. Col. Scoggins
S. & S. M. M. Branch	Mr. Dickens
Food & Agriculture Sub-Commission	Mr. Legg
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Maj. Fewings Maj. Hyland Maj. Jones
Commerce (FT) Sub-Commission	Maj. Soul
Finance Sub-Commission	Lt. Col. Timmons

Present:

Economic Section	Mr. Cleveland Mr. Holstein Capt. Highland Miss Wuksch Mr. Colbach Mr. Stauffer Lt. Durber
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S. & S. H. Q. Branch	Mr. Dickens
Food & Agriculture Sub-Commission	Mr. Legg
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Maj. Fewings Maj. Hyland Maj. Jones
Commerce (FT) Sub-Commission	Maj. Saul
Finance Sub-Commission	Lt. Col. Timmons

Meeting opened at 11:45 o'clock. Mr. Cleveland presided:

1. Mr. Cleveland discussed the following subjects of general interest:

a. AFHQ seems opposed to the repayment of supplies loaned 2675 Venezia-Giulia from the regular civil import program. Strenuous efforts are being made on the part of Allied Commission to obtain repayment.

b. As yet there is no answer from AFHQ to the suggestion that Udine be treated as part of Italy economically.

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c. The feeding of the Italian Army, Navy, etc., continues to be a source of discussion. Apparently the problem is to assure SACMED at what point the Italian Government will be in position to take over the responsibility for feeding the Italian Navy and Italian Air Force. At least in theory they have already been given the responsibility of feeding the Italian Army and Carabinieri, but the food has been supplied from military sources.

d. The Spanish trade agreement has been signed.

e. Although there has been no official announcement, there is every indication that non-RCL items will be removed from the Category A list.

f. Mr. Cleveland has discussed with ex-Minister Gronchi, Under-Secretary Lombardo, of the Ministry of Industry and Commerce, and Minister Lombardi, of Transport, the question of the financing of additional imports over and above the UNRRA import program during 1946. He stated that they do not seem to push energetically any projects for reconstruction financing of railroads, utilities and similar segments of the Italian economy. In dealing with the Government it will be necessary to emphasize that the amount of money allocated to Italy by UNRRA will not be sufficient to accomplish more than a limited reconstruction job in 1946, and that it will be necessary to do something beyond publishing a book like the 1946 Import Program in order to procure funds through credits.

g. The coal situation has deteriorated statistically. Broadly speaking, there was loaded in December approximately half of the amount of coal which was scheduled to be loaded and shipped, the limiting factor apparently being that during the last half of December nobody wanted to sign on as crew. In Hampton Roads alone, 13 fully loaded coal ships were sitting in the harbor without crews. The result of this on internal coal allocations is that unless some early loadings in January arrive at the end of the month, there will be enough to provide coal only for the railroads, hospitals, gas works and bakeries. Industries, with the exception of those having a supply sufficient for January, will be compelled to shut down. There is hope that the situation will improve. Recent cables mention January loadings of 440 or 450 thousand tons.

h. It is evident that the Combined Chiefs of Staff are acting favorably on the recommendations emanating from the Allied Commission. There has been received a brief cable transferring the Allied Financial Agency to AFHQ, but it is to continue to be attached to the Finance Sub-Commission. They also adopted the recommendation that the Chief Financial Advisor continue to be responsible for negotiating the currency agreement.

i. The North Italy Industrial Council has decided to resign

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i. The North Italy Industrial Council hasdecided to resign ostensibly because of the failure of the Government to sign a decree defining their authority to continue to operate. There has been considerable discussion in the papers about organizing a National Industrial Council to take over nationally the functions formerly performed by CLNAI in the North, but there has been no definite proposal.

j. There have been several meetings on the problem of handling UNRRA shipments across Italy, especially on the use of North Italy ports for the purpose of shipping UNRRA supplies to Czechoslovakia, Yugoslavia, Austria, etc. These meetings have dealt with the capacity of those ports, priorities to be adopted, machinery for actual handling of the shipments, etc. A further meeting will be held this afternoon.

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4. The first issue of "Economic Notes" has been released as a joint AC/UNRRA publication, having as its purpose the dissemination of information down to Province and local levels regarding what is being done through the supply program, as well as the basic issues of policy and decisions of policy reached. "Economic Notes" will become solely an UNRRA publication sometime about the end of February.

2. Col. Walton reported on an analysis of pilferage, tracing such losses from the ships' holds, where the responsibility rests with NSA, through those occurring at end of ships' tackle, and at port and interior warehouses, all of which operations are the responsibility of Federazione Italiana dei Consorzi Agrari. The losses at any single level appear not so large, but are impressive when consolidated. From early spring until September 30th they represent a loss of 1690 tons of sugar, 709 tons of flour (.05%), and 10,047 tons of grain (1%) - a loss of over a ship load of wheat in six months. At a meeting with the Federazione, it was agreed that through the appropriate Ministries they will present a request from the Italian Government for arms. Although the Economic Section will support a request for more and better arms, the question of providing automatic weapons to compete with those used by the bandits is apt to be difficult.

3. Major Saul informed the meeting that they have had clearance on the export of textiles in the majority of instances, although general overall approval has not been given. It seems improbable that overall approval will be granted inasmuch as infinitely more details are required than had been anticipated, including assurances of the ultimate destination of the finished product. In this connection Mr. Cleveland announced that Mr. Peter Treves, of the Washington office, who has been primarily responsible for requiring this information, is expected in Rome soon.

4. Announcement was made by Col. Walton that Capt. Peterson will replace Major Smith as Executive Officer for the Supply Group.

5. A meeting on UNRRA Supply Accounting was held on 15 January by Mr. Lynch. Working on the assumption that much of the posting work would be done by Italians, four sets of accounts were agreed upon. It was concluded that a minimum of two Allied personnel will be required. Two additional American or British clerks may be necessary. Mr. Cleveland suggested that another sub-committee be formed by Colonel Walton, and that discussions be held with Mr. Legg, Mr. Stouffer and the Industry Department to work out a common method of presenting and reporting statistics needed for the import program, reminding the group that because the UNRRA organization has been so much in the public light in London and Washington, there will be constant demands for all types of reports.

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6. Mr. Dickens reviewed a report made on clothing and textile requirements for 1946. The study represents a measurement of the amounts necessary to provide each household with minimum requirements without regard to purchasing power. The concluding phase will be to project backwards, assuming that agreement can be had on the minimum, to determine how much raw material is necessary to produce the given requirement. This phase will be handled by the Industry Department. Mr. Cleveland suggested that, without waiting for the study which will be made by Industry, a report be submitted to the Interministerial Committee for Reconstruction, emphasizing that it is still in the study stage but that we would like them to work out a statement of consumer requirements in this field, which would form the basis for imports and production. Allocations of raw materials should be made on a concrete basis of what will be made and the Government should have the opportunity to say what those items shall be.

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7. Mr. Holstein announced that all Economic Staff meetings will be held at 11:30 instead of 12:00 and henceforth will be joint meetings with the UNRRA group. He also brought up the subject of press releases. Most of these will be made through the "Economic Notes" but if there are any special releases, they should be reviewed by Mr. Clevela.d. Finally, he asked that careful consideration be given recommendations for the hiring of personnel for UNRRA and that such recommendation be based on the competence of the individual worker and that individual's personal desire to remain in Italy.

8. Capt. Hinchey stated that in a few instances UNRRA cables have come in and been replied to through AC channels. All UNRRA cables should be set up on UNRRA cable forms and sent down to the C.S.C.'s office for dispatch. Under no circumstances should they be sent through normal A.C. channels.

The meeting adjourned at 12:50 hours.

ALFRED HOLSTEIN
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

REF: 1.37/ES

5 January 1946

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 5 JANUARY 1946

JAN 11 1946

Present:

Economic Section	Mr. Cleveland Mr. Holstein Miss Wukasch Mr. Gelbach Lt. Durber
Supply Group	Col. Walton Maj. Smith Maj. Louden
Requisition Branch	Mr. Lynch
C.C.C. Branch	Maj. Wilson
Executive Commissioner's Office	Maj. Holmes
Transportation Sub-Commission	Col. Buchanan Lt. Col. Scoggins
S. & S. M. E. Branch	Mr. Dickens S/Ldr. C. A. MacKenzie
Food & Agriculture Sub-Commission	Mr. Legg Mr. Imrie
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Maj. Shapiro Col. Parker Maj. Hyland
Finance Sub-Commission	Col. Hemspace Lt. Col. Timmons
Commerce Sub-Commission	Maj. Saul
Coal Division	Maj. Jones

Declassified E.O. 12356 Section 3.3/NND No. 785017

	Lt. Durber
Supply Group	Col. Walton Maj. Smith Maj. Louden
Requisition Branch	Mr. Lynch
C.E.M. Branch	Maj. Wilson
Executive Commissioner's Office	Maj. Holmes
Transportation Sub-Commission	Col. Buchanan Lt. Col. Scoggins
S. & S. M. A. Branch	Mr. Dickens S/Ldr. C. A. MacKenzie
Food & Agriculture Sub-Commission	Mr. Legg Mr. Imrie
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Maj. Shapiro Col. Parker Maj. Hyland
Finance Sub-Commission	Col. Hemspace Lt. Col. Timmons
Commerce Sub-Commission	Maj. Seul
Coal Division	Maj. Jones

Meeting opened at 11:30. Mr. Holstein acted as Chairman in Mr. Cleveland's brief absence.

1. Mr. Holstein stated that since the regions have been abolished, the Executive Commissioner has requested that communications to field officers be addressed through the Chief Liaison Officers. The bulletin of last week names the Chief Liaison Officers and their locations.

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2. Mr. Cleveland then joined the meeting and discussed the various transfers of responsibility now pending for the economic functions of the Allied Commission. It has been officially agreed that there will be a transition period of approximately two months beginning as of January 1.

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During this period, we will be handling both the FEA and UNRRA import programs. The Economic Section's responsibility for the FEA supplies will cease by March 1. At the end of January we hope to have completed all of the various recommendations on personnel revisions which require to be made in connection with UNRRA and to have all personnel papers actually processed at that time. Transfers to the British and American Embassies will be carried out during this same period. The organization of the Economic Section will be remolded into the UNRRA pattern. The nature of the transition has been cabled to AFHQ for its information. Same cable has been repeated to Washington and London so that the Headquarters with which we deal will be aware of steps we are taking.

3. The 1946 Program is now in printed form. Copies are available from the Program Coordination Branch. Based on that and on additional information as to availabilities of various commodities requested, the UNRRA people in Washington have prepared a draft program which is being used currently as a basis for the allocations of funds involved. The total amount of money available for supplies will be approximately 375 million dollars. Total cost, including freight charges, will be about 450 million dollars.

4. The most serious supply problem at the moment is wheat. Broadly speaking, the picture is that our stockpiling was in bad shape at the beginning of the program and it has not been possible to get into this country as much as we had asked for at the time required. As a result we have come to the end of the A.C. period of supply with the stockpile considerably low.

5. Re implementation of legislation in Udine, Mr. Cleveland pointed out that the Legal Sub-Commission will be canvassing the Sub-Commissions, and that we should follow the general policy of having all Italian Government decrees apply automatically. Any exceptions should be reviewed by Mr. Cleveland for submittal to higher authorities.

6. The Establishment Section is trying to arrange for the establishment of separate messes for British and American officers.

7. Colonel Walton stated that a meeting would be called early next week regarding procedures for the reception of UNRRA supplies.

8. Colonel Monopoco stated that he met with the Ministry of Treasury on the currency agreement and that the Government appears ready to accept our proposal.

The meeting adjourned at 1230 hours.

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The meeting adjourned at 1230 hours.

E Holstein

ELWOOD HOLSTEIN
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO 374
ECONOMIC SECTION

REF.: 1.27/ED

19 December 1946

DEC 28 1945

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 19 DECEMBER 1946

Present:

Economic Section	Mr. Cleveland Col. Densmore Mr. Holstein Capt. Highland Miss Wormsch Mr. Colbach Mr. Stauffer Lt. Durbar
Supply Group	Col. Walton Maj. Smith Maj. Scottes Maj. Loudon
Requisition Branch	Mr. Lynch
C.C.C. Branch	Maj. Wilson
Executive Commissioner's Office	Maj. Holmes
Transportation Sub-Commission	Col. Buchanan Lt. Col. Scoggins
S. & S. M. M. Branch	Mr. Dickens
Food & Agriculture Sub-Commission	Mr. Irvin Mr. Legg
Industry & Utilities Sub-Commission	Maj. Fewings Mr. Hayes
Finance Sub-Commission	Lt. Col. Timmons Col. Hemphce
Labour Sub-Commission	Mr. Sachs

Meeting opened at 32 o'clock. Mr. Cleveland presided.

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	Capt. Highland Miss Wakeman Mr. Goldman Mr. Stauffer Lt. Barber
Supply Group	Col. Walton Maj. Smith Maj. Scotten Maj. Louden
Requisition Branch	Mr. Lynch
D.P.M. Branch	Maj. Wilson
Executive Commissioner's Office	Maj. Holmes
Transportation Sub-Commission	Col. Buchanan Lt. Col. Scaggins
S. & S. M. Branch	Mr. Dickens
Food & Agriculture Sub-Commission	Mr. Irvin Mr. Legg
Industry & Utilities Sub-Commission	Maj. Fewings Mr. Hayes
Finance Sub-Commission	Lt. Col. Timmons Col. Menzpaze
Labour Sub-Commission	Mr. Sachs

Meeting opened at 12 o'clock. Mr. Cleveland presided.

1. Mr. Cleveland discussed briefly the turnover of Northern Italy from AMG to the Italian Government. Information regarding the turnover was released to the press last week by Admiral Stone, in language which made it clear that the only reasons for retaining Venezia Giulia and Udine under AMG control were military considerations. It was specified in the release that the turnover would be effective as of midnight December 31, with no retention of functions for a transitional period of the type which characterized turnover of the Southern Regions about a year ago. Regional offices will be abolished as of the 31st of December, but certain people will remain on to wind up pending business. Where necessary, liaison officers will remain in the provinces. On the economic side they will be needed only in transportation and possibly on food.

2679

2. Mr. Cleveland stated that a cable was received from the Combined Chiefs of Staff, which gave indications as to the future status and form of the Commission. Most of the economic functions will be transferred either to the Embassies or to UNRRA. The probable Attorney functions fall into four

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categories:

(1) Labour
(2) Foreign trade
(3) Functions in financial field
(4) Advising the Italian Government on industrial projects involving foreign loans or credits

3. The U. S. Senate finally passed the authorization for the 1946 Program for UNRRA. A supporting appropriation of 50% was made available immediately and 50% is to be appropriated later. The other contributing countries will, it is recognized, make available their proportionate shares. The appropriation is now awaiting the President's signature. A definite statement regarding UNRRA's responsibility for the 1946 import program has been received here from the UNRRA Chief of Mission, Rome, who is now in Washington, and has been passed to the Italian Government.

4. Personnel: Colonel Dunmore stated that the personnel section hopes to be able to get out something by Friday to the officers here and in the field some information regarding the status of all Economic personnel. They will go to one of five places:

(1) Udine, AMG
(2) Venezia Giulia, AMG
(3) Liaison group in the North (Transp. & Food officers)
(4) The Sub-Commission itself
(5) Surplus list

Regarding Christmas holidays, the schedule will be as follows:

Saturday noon we will close as usual, with a skeleton staff consisting of duty officer and one secretary. In the Economic Section Sunday and Monday will be treated the same.

Tuesday and Wednesday the Headquarters will name a duty officer for all of A. C. The Economic Section will appoint one duty officer (no secretary), whose job will be to find out who the duty officer is for all of A. C. He will then leave instructions with the A. C. Duty Officer as to where he can be reached, but it will not be necessary for him to be at the A. C. personally.

5. Pipeline: Colonel Dunmore reported on an article which appeared in TIME (date) regarding the Foreign Trade Fund. He also stated that his office has been deluged with numerous requests for information about the rumored devaluation of the Italian lira. So far as he knows, the lira will not be devalued.

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5. Finance: Colonel Hemphill reported on an article which appeared in IL GLOBO regarding the Foreign Trade Fund. He also stated that his office has been deluged with numerous requests for information about the rumored devaluation of the Italian lire. So far as he knows, the lire will not be devalued.

Lt. Col. Timmons stated that there is no customs control between Italy and Zone "A", nor is there any such control along the Morgan line, dividing Zone "A" from Zone "B". AMG, Venezia Giulia, are at present discussing with IX Corps a proposed recommendation to G-5, AFHQ, that a customs control be established along the Morgan line. The Acting Vice President requested that the whole question be taken up with AFHQ. Lt. Col. Timmons also discussed the proposed policy whereby the Province of Udine would, after the handover of the Northern Sectors, be integrated with the rest of Italy, and all decrees, circulars and administrative instructions of the Italian Government be given full force and effect in that Province.

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6. Labour: Mr. Sachs reported on a memorandum received from AFHQ authorizing payment of Christmas bonus to all Italian civilian employees who have been in continuous service up to the present time.

7. Colonel Bolte raised a question regarding travel of Italian civilian employees. It was requested that this point be discussed in detail at the next meeting.

8. Mr. Holstein introduced Mr. Gelbach, who was formerly stationed in Austria, and who is the new FW. Administrative Officer.

The meeting adjourned at 1330 hours.

JOSEPH C. DUNBAR
1st Lt. Inf.
Pers. O. Econ. Sec.

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

REF.: 1.27/ES

6 December 1945

DEC 8 1945

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 5 DECEMBER 1945

Present:

Economic Section	Mr. Cleveland Col. Densmore Mr. Holstein Capt. Highland Miss Wukasch Mr. Hughes Lt. Durber Mr. Stauffer
Supply Group	Col. Walton Maj. Smith
Requisition Branch	Mr. Lynch
Commerce Sub-Commission	Lt. Col. Tooby
Industry & Utilities Sub-Commission	Mr. Hayes Maj. Hyland Maj. Fewings
Food & Agriculture Sub-Commission	Lt. Col. Cowper Mr. Rudderham
Transportation & Shipping Sub-Commission	Col. Buchanan Mr. Franklin
Finance Sub-Commission	Lt. Col. Timmons
Labour Sub-Commission	Mr. Sachs

Meeting opened at 11:45 with Col. Densmore presiding.

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	Mr. Holstein
	Capt. Highland
	Miss Wukasch
	Mr. Hughes
	Lt. Durber
	Mr. Stauffer
Supply Group	Col. Walton Maj. Smith
Requisition Branch	Mr. Lynch
Commerce Sub-Commission	Lt. Col. Tooby
Industry & Utilities Sub-Commission	Mr. Hayes Maj. Hyland Maj. Fewings
Food & Agriculture Sub-Commission	Lt. Col. Cowper Mr. Rudderham
Transportation & Shipping Sub-Commission	Col. Buchanan Mr. Franklin
Finance Sub-Commission	Lt. Col. Timmons
Labour Sub-Commission	Mr. Sachs

Meeting opened at 11:45 with Col. Densmore presiding.

Colonel Densmore discussed the personnel arrangements and transfers with respect to economic specialists in the North.

Colonel Densmore pointed out the necessity for each Sub-Commission preparing new terms of reference for the use of the Economic Commissioner in the North.

Referring to the new terms of reference for use by the Office of the Economic Commissioner, Col. Walton stressed the importance of preparing them with a view to continued work in the North, in the supply field, subsequent to the turn-over to the Italian Government. A canvass of Sub-Commissions as to

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status of the required document revealed that the Sub-Commissions were in the process of submitting their outlines. (Mr. Cleveland entered the meeting and assumed the chair).

A canvass of the Sub-Commissions indicated that in only a few instances would the turn-over greatly affect the procedure and functions in the North so far as supply groups are concerned. It was the final concensus that the instructions could be combined in one document, but it was emphasized that this should be done in a clear and concise manner.

The draft AFHQ Administrative Memorandum for the dissolution of A.F.L.R.S. is now circulating for comments by the Sub-Commissions. Mr. Cleveland asked that all comments be submitted to Economic Section today so that he will be in a position to discuss the matter personally with the CAO, AFHQ, who is now in Rome. Maj. Louden, formerly with A.F.L.R.S. and now with Economic Section, will be available for discussion or consultation with any Sub-Commissions who may desire his services with regard to problems or relations with A.F.L.R.S.

Mr. Cleveland stated that the UNRRA appropriation had not as yet been approved by the Congress of the United States. In all probability, if the appropriation is not approved in time for the new year's operation, there will have to be an extension of the present financing to carry over through the interim period.

There has been received by Allied Commission a cable from the Combined Chiefs of Staff with reference to the activities of each Sub-Commission. At the moment this is referred to in only general terms. Generally speaking the request was for a list of functions of Sub-Commissions and offices, with a statement of what the remaining activities would be in the supply field after the turn-over to UNRRA and the Embassies. This should cause no great concern since it appears to be based on the same plan that Economic Section is working on now in the new terms of reference for the North.

Col. Timmons reported on the status of the approval of the Italian-Swiss export trade agreement. This matter now rests with the Embassies and the Italian Government, rather than as originally initiated with A.C., AFHQ, and CCS. At the moment the proper channels for such future problems are

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Col. Timmons reported on the status of the approval of the Italian-Swiss export trade agreement. This matter now rests with the Embassies and the Italian Government, rather than as originally initiated with A.C., AFHQ, and CCS. At the moment the proper channels for such future problems are being investigated.

Mr. Sachs of Labor Sub-Commission stated that a newspaper report indicated a trade union delegation was arriving in Naples for a tour of Italy. It is not known the purpose or extent of their visit, but A.C., will probably be called upon to assist in arrangements for transport, billeting, etc. It was suggested that definite information be obtained as to the extent that incoming businessmen and delegations of this type can be accomodated and through what organizations.

C O N F I D E N T I A L

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There will shortly be issued a new instruction regarding the procedure and signatures required on various types of correspondence addressed to the North.

Mr. Holstein pointed out that American stenographic help is becoming more limited each day and asked that each Sub-Commission attempt to fill all requests from their own personnel within the Sub-Commission without reference to the Administrative & Personnel Branch.

Mr. Cleveland asked that the hour beginning at 5:00 on Thursday be kept free for all American civilian employees who are scheduled to attend a civilian staff meeting at that time.

The meeting adjourned at 13:00 hours.

JOSEPH W. DURBER
1st Lt. Inf.
Pers. O. Econ. Sect.

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The meeting adjourned at 13:00 hours.

JOSEPH W. DURBER
1st Lt. Inf.
Pers. O. Econ. Sect.

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.27/ES

21 November 1945

NOV 26 1945

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 21 NOVEMBER 1945

Present:

Economic Section	Col. Densmore Mr. Holstein Lt. Col. Moore Mr. Hughes Capt. Highland
Supply Group	Col. Walton Major Bates Major Scotten Major Smith
Agriculture & Food Sub-Commission	Mr. Merritt Lt. Col. Cowper
Commerce (FT) Sub-Commission	Lt. Col. Tooby
Finance Sub-Commission	Lt. Col. Timmons
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Col. Ristedt Col. Walker Major Fewings
Labor Sub-Commission	Mr. Braine Mr. Sachs
Transportation & Shipping Sub-Commission	Col. Buchanan Lt. Col. Scoggins
Colonel Pa...	

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Economic Section	Col. Densmore Mr. Holstein Lt. Col. Moore Mr. Hughes Capt. Highland
Supply Group	Col. Walton Major Bates Major Scotten Major Smith
Agriculture & Food Sub-Commission	Mr. Merritt Lt. Col. Cowper
Commerce (FT) Sub-Commission	Lt. Col. Tooby
Finance Sub-Commission	Lt. Col. Timmons
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Col. Ristedt Col. Walker Major Fenings
Labor Sub-Commission	Mr. Braine Mr. Sachs
Transportation & Shipping Sub-Commission	Col. Buchanan Lt. Col. Scoggins

Colonel Densmore presided:

1. Before leaving for a trip to the North, Mr. Cleveland asked that Col. Densmore bring to the attention of the meeting the fact that several units of some of the sections are directing memoranda to the Economic Section and then giving them wide distribution. He requested that this practice be discontinued.

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2. The following matters were discussed at the Executive Commissioner's meeting 20 November:

a. An attempt has been made to get an additional number of closed vehicles for this Headquarters. Ten additional staff cars have been obtained but they have been assigned to the Northern regions. Establishment Section reported that it is going to release all taxis and substitute other

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requisitioned cars. Col. Fiske has intimated that undoubtedly more closed cars will not be available and it will be necessary to resort to command cars and jeeps.

b. Of the 22 recommendations for promotions on the British side, 11 came back approved. On the basis of a small T.O., additional stress should be placed on the description of the job filled, if recommendations for promotions are to receive favorable action. Until the new T.O. is set up, no action will be taken with respect to recommendations for American officers.

c. The matter of furnishing information to the Soviet representative was raised and it was decided that there was no objection to supplying the Russians with the information they required, including monthly reports, with the exception of secret documents which have not been paraphrased. In response to Lt. Col. Cowper's inquiry as to whether or not this applied to Venezia Giulia, Col. Densmore stated that he believed that it did not, although he didn't anticipate that the Russians would ask for information regarding that area. In cases where there is any doubt as to whether or not information should be given to them, the matter should be referred to a higher level rather than immediately refusing to supply it.

3. The recommendations from the Sub-Commissions regarding disposition of personnel in the amalgamation of Piemonte, Liguria, and Lombardia Regions into the Northwest Region with headquarters at Milan, were submitted in a satisfactory manner, for the most part, and have been sent to Col. Jones.

4. Col. Walton suggested that it might be desirable to have the Directors of Sub-Commissions determine what type of authorizations of requisitions may be issued in their Sub-Commissions with a view to determining whether or not permits are being issued which are not necessary or desirable. Col. Densmore heartily approved this suggestion and a memorandum will be directed to the Sub-Commissions requesting that this be done.

5. Col. Densmore set forth the situation with regard to manufacture of war-like stores by Italians. Signals have been sent to all Regional Commissioners stating that any manufacture of any arms which they discover, or which are reported to them, will be investigated. If the manufacture is taking place under authorized Allied permission or is being manufactured for Italian armed forces under written authority of the Land, Navy or Air Forces Sub-Commission, they are not to be disturbed, but these facts will be reported to this Headquarters. If manufacture is going on without authority, it must be stopped at once and reported to this Headquarters. Col. Densmore requested that he be notified of the receipt of such reports before any action is taken with respect to them. A directive setting forth procedure to be followed will be issued next week. AFHQ now wants to know the present status and ability of Italian armament industries looking [illegible]

c. The matter of furnishing information to the Soviet representative was raised and it was decided that there was no objection to supplying the Russians with the information they required, including monthly reports, with the exception of secret documents which have not been paraphrased. In response to Lt. Col. Cowper's inquiry as to whether or not this applies to Venezia Giulia, Col. Dunsmore stated that he believed that it did not, although he didn't anticipate that the Russians would ask for information regarding that area. In cases where there is any doubt as to whether or not information should be given to them, the matter should be referred to a higher level rather than immediately refusing to supply it.

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4. Col. Dalton suggested that it might be desirable to have the Directors of Sub-Commissions determine what type of authorizations of requisitions may be issued in their Sub-Commissions with a view to determining whether or not permits are being issued which are not necessary or desirable. Col. Dunsmore heartily approved this suggestion and a memorandum will be directed to the Sub-Commissions requesting that this be done.

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The meeting adjourned at 1240 hours.

Leslie S. Moore

LESLIE S. MOORE
Lt. Colonel, AGD
Chief, Admn. & Pers. Branch

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: I.27/ES

14 November 1945

MINUTES OF ECONOMIC SECTION STAFF MEETING
HELD 14 NOVEMBER 1945

NOV 23 1945

Present:

Economic Section	Mr. Cleveland Col. Densmore Col. Walton Col. Walker Mr. Holstein Lt. Col. Moore Maj. Scotten Mr. Hughes Capt. Highland
Food & Agriculture Sub-Commission	Mr. Merritt
Finance Sub-Commission	Col. Menapace Lt. Col. Timmons
Commerce (Foreign Trade) Sub-Commission	Lt. Col. Tooby Major Gant
Industry & Utilities Sub-Commission	Mr. Sullivan Col. Ristedt Mr. Hayes Maj. Fawings
Labor Sub-Commission	Mr. Braine Mr. Sachs
Transportation & Shipping Sub-Commission	Col. Buchanan Lt. Col. Scoggins
Captured Enemy Materials Branch	Maj. Trevor-Wilson
AC Milan Office	Mr. White

Mr. Cleveland presided:

1. Work is continuing on the 1946 [illegible]

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	Col. Patton Col. Walker Mr. Holstein Lt. Col. Moore Maj. Scotten Mr. Hughes Capt. Highland
Food & Agriculture Sub-Commission	Mr. Merritt
Finance Sub-Commission	Col. Menapace Lt. Col. Timmons
Commerce (Foreign Trade) Sub-Commission	Lt. Col. Tooby Major Cent
Industry & Utilities Sub-Commission	Mr. Sullivan Col. Ristedt Mr. Payer Maj. Fewings
Labor Sub-Commission	Mr. Braine Mr. Sachs
Transportation & Shipping Sub-Commission	Col. Buchanan Lt. Col. Scoggins
Captured Enemy Materials Branch	Maj. Trevor-Wilson
AC Milan Office	Mr. White

Mr. Cleveland presided:

1. Work is continuing on the 1946 program of imports, primarily in Milan, with the group including Col. Tooby and Mr. Luzzatto. A draft has been approved for the expenditure of 61.5 million dollars for January 1946. This is 2665 thing is the nature of a loan from the UNRRA appropriation of 550 million dollars which is expected to be through the Senate by the end of the week. A new appropriation of 1 billion 350 millindollars was gone up before the House Foreign Affairs Committee today.

2. A meeting on Foreign Trade was held last week with the Inter-Ministerial Committee for Reconstruction and the Under-Secretary-designate. After a long discussion of the obstacles, Italian and Allied, which presently inhibit the opening of free trade channels, a sub-committee was created, headed up in the Finance Sub-Commission. There has been a meeting of this sub-committee

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and the work is well under way, as follows:

a. Two customs officials, acting under instructions from Minister Storoni, presented to the Finance Sub-Commission a memorandum purporting to set forth the places where the customs are not satisfactorily functioning. This memorandum was too general to be serviceable. They were requested to draw up another, outlining the situation more specifically. As yet this has not been received.

b. At the meeting of the sub-committee on Foreign Trade, attended by representatives of the various Ministries and Allied Commission, the Italian representatives presented a memorandum setting forth the rules, and procedure on the control of foreign trade, accompanied by a series of forms from "A" to "F". Although the plan seems well formulated, no immediate approval was given in order to provide sufficient time for further study. It is proposed to make announcement of the plan through the Chambers of Commerce, relying on them to disseminate the information. The question was raised as to the possibility of shipping becoming a limiting factor. It is understood that Italy is negotiating for the purchase of a number of Liberty ships when they become available. However, there has been no announcement on this.

3. It was requested that anybody involved in a representation of the Allied Commission or the Italian Government on special groups and committees meeting in Brussels, Paris, London, etc., advise Col. Dennstaedt. There seem to be varying opinions of Italy's status and it is advisable to get a general ruling aimed, insofar as possible, at getting the Italians appointed to these groups. Col. Dennstaedt recommended that at these meetings the term "membership" be used instead of "representation."

4. It has not been decided when AFHQ will move to Rome. It is understood that a cable has been sent, advising that unless instructions to the contrary are received, AFHQ will move to Rome 1 December and that the deadline for the receipt of such instructions is 20 November.

5. The supply picture on major commodities is brighter than last week. The coal strike is not having the effect on arrivals in Italy that might have been expected. Although September shipping was short, some of the ships intended for that month slipped into October, thus forestalling a gap. On wheat, although actual figures are not presently available, it is probable that we will get approximately 75% of the additional quantity requested. Washington was advised that there are facilities here for handling bulk flour.

6. There was opened for discussion the question of whether the character of AFQ on rations in the north should be changed by pulling out all of

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approval was given in order to provide sufficient time for further study. It is proposed to make announcement of the plan through the Chambers of Commerce, relying on them to disseminate the information. The question was raised as to the possibility of shipping becoming a limiting factor. It is understood that Italy is negotiating for the purchase of a number of Liberty ships when they become available. However, there has been no announcement on this.

3. It was requested that anybody involved in representation of the Allied Commission or the Italian Government on special groups and committees meeting in Brussels, Paris, London, etc., advise Col. Spencer. There seem to be varying opinions of Italy's status and it is advisable to get a general ruling ahead, insofar as possible, as to putting the Italians appointed to these groups. Col. Spencer recommended that at these meetings the term "membership" be used instead of "representation."

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6. There was opened for discussion the question of whether the character of AMG operations in the North should be changed by pulling out all of the Economic offices from the various regions and concentrating them in Milan, on the theory that the control on the Italian side is exercised by the various Boards working out of Milan. The office to be established by AC would, in effect, be an advance headquarters of the Economic Section. It seemed probable that such a concentration might function more effectively than an organization spread thinly over the entire North:

a. Mr. White concurred in bringing the men from the field into Milan, emphasizing the point that the personnel of the field offices were so few and changed so frequently that they could not accomplish the functions originally intended.

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j. Mr. White expressed the belief that there would be a decided advantage, particularly in the light of existing communication facilities, in being able to make immediate distribution of materials without the necessity of reporting to Rome for a decision.

k. Mr. Cleveland expressed his belief that the plan was a practicable possibility, with some exceptions, and that a proposal would be drafted, based on the actual people available and the general point of view expressed by each group. This would be presented with ample time for studying before being finalized.

The meeting adjourned at 1320 hours.

Leslie S. Moore

LESLIE S. MOORE
Lt. Colonel, AGD
Chief, Assmt. & Perc. Branch

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b. Mr. Merritt stated that because so many officers in the North had left and because the Italian Government is actually performing food and agricultural functions through their agencies in all of the Provinces, he considered it practicable to centralize in Milan, so long as there is someone in the Provinces to back up the Prefects. Maj. Cowper said his immediate reaction was guarded and that he was not entirely converted to making the capital of the North, Milan. Mr. Merritt, however, felt that on the food side they might tend toward a geographical breakdown, having representatives working out of Milan.

c. As for Industry, Lt. Sullivan felt that at first appearance the plan seemed like an excellent one, though he had not had time to study it sufficiently to make a firm statement. Maj. Fewings felt that if the Regional officers were brought into Milan, their functions would be destroyed since the actual need was for them to be in the field, assisting with problems of rehabilitating the industries. Mr. Cleveland brought out the fact that the time had come to think in terms of changed functions and of the type of set up needed for 1946.

d. Col. Buchanan, speaking for Transportation, said that the work of coordination was already being carried out in Milan; that even after the North has been turned back in its entirety, they would still like to retain transportation officers in the various Regions.

e. Col. Ristedt likewise felt that there were arguments against concentration in Milan, the principal one being that the financing of Public Works is now being carried out on a Regional basis and that a change of such procedure would entail considerable delay in the approval of projects because of the slow machinery of the Italian Government for processing approval. In this Col. Kenapace concurred. Mr. Cleveland recommended that steps be taken to remedy this situation and to assist in establishing a system whereby the Italian Government could expedite approval. In addition to the obstacle of financing, Col. Kenapace also brought out the objections that the Finance Sub-Commission has no individual officer presently in Milan and that they have no continuing functions. He favored keeping the financial control on a Regional basis.

f. Maj. Cant foresaw only one possible objection to centralization of the North in Milan and that was the possibility of encouraging the North to act separately from the central Government. If that could be avoided, he was in accord with the change.

g. Lt. Col. Tooby favored centralization in Milan, with the

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representatives working out of Milan.

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f. Maj. Gent foresaw only one possible objection to centralization of the North in Milan and that was the possibility of encouraging the North to act separately from the central Government. If that could be avoided, he was in accord with the change.

g. Lt. Col. Tooby favored centralization in Milan, with the installation of an inspectoral system to see that imported goods are used as allocated and that the type of goods authorized are actually manufactured, i.e. that they do not use imported goods for the manufacture of luxury items.

h. Mr. Erskine said that as far as the normal labor function is concerned, there was no objection to immediate centralization in Milan, but that as long as there existed responsibility for public safety, there might be some problems for there is a strong possibility of serious labor difficulties in the North.

i. Col. Walton's primary concern was that expressed by Maj. Gent - the possibility of the areas looking toward Milan as the capital rather than Rome.

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: I.27/ES

6 November 1945

NOV 10 1945

MINUTES OF ECONOMIC SECTION STAFF MEETING
HELD 6 NOVEMBER 1945

Present:

Economic Section

Mr. Cleveland
Col. Densmore
Col. Walton
Mr. Holstein
Mr. Lumanto
Lt. Col. Moore
Lt. Col. Tooby
Mr. Hughes
Major Smith
Mr. Allen
Capt. Highland

Food & Agriculture Sub-Commission

Mr. Merritt
Major Cowper
Mr. Rudderius

Finance Sub-Commission

Col. Menapace
Lt.-Col. Tiscione

Commerce (Foreign Trade) Sub-Commission

Major Gent
Major Skitton

Industry & Utilities Sub-Commission

Mr. Sullivan
Col. Blatset
Mr. Hayes
Major Fewings

Labor Sub-Commission

Mr. Sachs

Transportation & Shipping Sub-Commission

Col. Buchanan

Captured Enemy Materials Branch

Major Wilson

Declassified E.O. 12356 Section 3.3/NND No. 785017

Present:

Economic Section	Mr. Cleveland Col. Densmore Col. Walton Mr. Holstein Mr. Luzzato Lt. Col. Moore Lt. Col. Tooby Mr. Hughes Major Smith Mr. Allen Capt. Highland
Food & Agriculture Sub-Commission	Mr. Merritt Major Cowper Mr. Buddenhagen
Finance Sub-Commission	Col. Menquico Lt. Col. Timmons
Commerce (Foreign Trade) Sub-Commission	Major Gent Major Sotten
Industry & Utilities Sub-Commission	Mr. Sullivan Col. Ristedt Mr. Hayes Major Fewings
Labor Sub-Commission	Mr. Sachs
Transportation & Shipping Sub-Commission	Cpl. Buchanan
Captured Enemy Materials Branch	Major Wilson

2664

Mr. Cleveland presided:

1. As a result of pressure resulting from Secretary of State Byrnes' press conference last Wednesday, the terms of the Armistice with Italy (the long terms), are to be officially published and announced by the Italian Government at 1900 hours tonight, along with the Cunningham Department (?) Agreement and FAN 487, but not the Financial Directive and TAM 640.

2. Additional progress has been made during the past week with respect to procedures governing the coming elections. The only point of disagreement between Civil Affairs Section, AC, and the Italian Government people concerned appears to be the question of the official ballot paper. The Italians want a party ballot and Civil Affairs Section feel that there should be an official ballot put out by the Government.

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	Lt. Col. Tooby
	Mr. Barnes
	Major Cafton
	Mr. Allen
	Capt. Highland
Food & Agriculture Sub-Commission	Mr. Merritt
	Major Cooper
	Mr. Sudderham
Finance Sub-Commission	Col. Manapace
	Lt. Col. Timmons
Commerce (Foreign Trade) Sub-Commission	Major Dent
	Major Scotton
Industry & Utilities Sub-Commission	Mr. Sullivan
	Col. Eistedt
	Mr. Hayes
	Major Fewings
Labor Sub-Commission	Mr. Spohn
Transportation & Shipping Sub-Commission	Col. Buchanan
Captured Enemy Materials Branch	Major Wilson

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(MISS SAMPSON/CAPT BRADBROOKE) 13/11

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3. On the 14th of November, the Ministry of War and the Italian Army will be turned back to the Italian Government. This is one of the last parts of the Italian Government to be under the actual control of the Allied Commission. From that date, Land Forces Sub-Commission will serve in an advisory capacity to the Ministry of War. This turn-over does not apply to the Army in AMG areas.

4. The pressures applied concerning coal shipments which were discussed at the meeting last week have had some effect. In a telephone conversation with Washington, we have been advised that 59 ships will be available for November loadings of coal and should bring in a half million tons, which is more than our November allocation in an effort to make up the tremendous shortage in October loadings. AFHQ has sent a very strong cable to the Control Council in Germany to attempt to get 200,000 tons of coal shipped from there. As yet no reply has been received from this cable, but we have asked the people in Washington to apply a little pressure from that end on the German Control Council.

5. According to figures that are firm, the wheat ration will probably have to be reduced in January if the additional 125,000 tons of wheat do not arrived in December and 209,000 tons in January above the regular program. It would be undesirable politically to have the ration reduced in the middle of the winter about the time that the supply functions are taken over by UNRRA and just before the elections. The critical situation with regard to wheat has been created as a result of crop failures in almost every country in the world except the U.S.

6. A letter prepared by Mr. Merritt regarding epuration, particularly on the epuration of a few people in the Consorzio Agrari, was sent to Civil Affairs Section. That Section has issued a policy statement that in cases where we have a strong justification, the Civil Affairs Section, as the Section responsible for epuration policy, is ready to keep people in office until their trial comes up.

7. This afternoon a meeting will be held with the Inter-Ministerial Committee for Reconstruction at which discussions will center around machinery and policy on foreign trade, particularly with the re-establishing of private trade at the earliest possible date. At the Executive Commissioners meeting, the question of facilities for private commercial visitors to Italy was brought up. Apparently there is a drill in a MTOUSA circular which permits their billeting, etc., and Brig. Lush is going to make an attempt to make similar arrangements in British areas, with reciprocity. AFHQ is still requesting security clearance from AC with respect to commercial visitors although it is felt in Washington that the only clearance needed is a G-2 security clearance. Mr. Cleveland suggested that inasmuch as the Commission

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4. The pressures applied concerning coal shipments which were discussed at the meeting last week have had some effect. In a telephone conversation with Washington, we have been advised that 59 ships will be available for November loadings of coal and should bring in a half million tons, which is more than our November allocation in an effort to make up the tremendous shortage in October loadings. AFHQ has sent a very strong cable to the Control Council in Germany to attempt to get 200,000 tons of coal shipped from there. As yet no reply has been received from this cable, but we have asked the people in Washington to apply a little pressure from that end on the German Control Council.

5. According to figures that are firm, the wheat ration will probably have to be reduced in January if the additional 125,000 tons of wheat do not arrived in December and 209,000 tons in January above the regular program. It would be undesirable politically to have the ration reduced in the middle of the winter about the time that the supply functions are taken over by UNRRA and just before the elections. The critical situation with regard to wheat has been created as a result of crop failures in almost every country in the world except the U.S.

6. A letter prepared by Mr. Merritt regarding epuration, particularly on the epuration of a few people in the Commercio Agrari, was sent to Civil Affairs Section. That Section has issued a policy statement that in cases where we have a strong justification, the Civil Affairs Section, as the Section responsible for epuration policy, is ready to keep people in office until their trial comes up.

7. This afternoon a meeting will be held with the Inter-Ministerial Committee for Reconstruction at which discussions will center around machinery and policy on foreign trade, particularly with the re-establishment of private trade at the earliest possible date. At the Executive Commissioner's meeting, the question of facilities for private commercial visitors to Italy was brought up. Apparently there is a drill in a PTOUSA circular which permits their billeting, etc., and Brig. Lush is going to make an attempt to make similar arrangements in British areas, with reciprocity. AFHQ is still requesting security clearance from AC with respect to commercial visitors although it is felt in Washington that the only clearance needed is a G-2 security clearance. Mr. Cleveland suggested that inasmuch as the Commission has already suggested to AFHQ that this activity be abolished, we ask them not to refer security clearances to us in the future.

8. U.S.A. is now publicizing the departure of ships and it is anticipated that similar arrangements will soon be made by MNT.

9. Executive Order No. 77, effecting a reorganization of the Economic Section, has been signed by the Chief Commissioner. The Directors of the Sub-Commissions have been supplied with a copy of this Order, and simeographed copies will be available in the immediate future.

10. An Economic Section Memorandum setting forth a new procedure for the handling of cables will be issued in a few days.

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11. At the UNRRA Council meeting in London, it was decided that the economic position of the various countries receiving UNRRA assistance should be reviewed so that the supply programs could be balanced accordingly. Inasmuch as AC has the information needed for the first part of this report so far as Italy is concerned, Dr. Welk of the Washington Office, UNRRA, will be contacting each sub-commission to obtain this information. Copies of an outline of the type of material required were made available to the Directors of the Sub-Commissions. The tentative dead-line for the compilation of this information is 12 November.

13. During the conversation with Washington yesterday, the UNRRA appropriation was discussed. UNRRA has ear-marked 61.5 million dollars of the U. S. appropriation to be used to buy supplies for Italy; this material will be purchased and sent to sea-board but will not be shipped until and unless the new appropriation goes through. It is hoped that the appropriation will be acted upon before Congress adjourns 10 December.

14. It was decided to change the day of the Economic Section Staff meeting from Tuesday to Wednesday at 1200 hours so that Mr. Cleveland could inform the staff of the latest developments discussed at the Vice Presidents' meetings on Wednesdays, as well as those discussed at the Executive Commissioner's meeting on Tuesday.

15. Col. Densmore brought up the matter of the survey of munitions production which was requested by AFHQ some time ago. Due to lack of personnel and the apparent impossibility of the survey, it was not undertaken at the time that it was originally suggested. Land Forces Sub-Commission and Air Forces Sub-Commission have issued special permits to Arms manufacturers to produce arms for the new Italian army, and we have now been asked if we are prepared to coordinate the situation with respect to their manufacture. Col. Densmore will arrange a meeting within the near future to discuss this problem with the interested groups.

16. With respect to inter-regional trade, a letter has been sent out by the Executive Commissioner to all Regional Commissioners to the effect that any orders by prefects or others setting up independent blocs on anything are to be removed immediately.

17. Col. Bowman, Vincenzo Giulio, during his visit here made specific requests for certain personnel. Lt. Col. Moore will discuss this matter further with the heads of the sub-commissions involved.

18. Col. Densmore pointed out that in some instances correspondence is being addressed to higher echelons than it ought to be, and that, with the decentralization, some communications with AFHQ are becoming [illegible] coordination of the sub-commissions and [illegible] of

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17. Col. Bowman, Venezia Giulia, during his visit here made specific requests for certain personnel. Lt. Col. Koore will discuss this matter further with the heads of the sub-commissions involved.

18. Col. Densmore pointed out that in some instances correspondence is being addressed to higher echelons than it ought to be, and that, with the decentralization, some communications with AFHQ are becoming unnecessarily [illegible] 2663 [illegible] ates. He also stressed the importance of the sub-commissions and [illegible] of the Supply Group (as set up in Executive Order No. 77) working through channels.

19. Mr. Merritt brought up the problem of transportation, particularly between Rome and Milan. Col. Densmore is to investigate the matter with a view to securing some relaxation of the 100-mile limit allowed for AC vehicles or arranging some sort of a station wagon courier service.

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20. Mr. Cleveland stated that a personnel organization chart for the supply and distribution functions to be taken over by UNRRA had been drawn up. In the near future conferences will be held with the heads of the sub-commissions to determine whether people who are now in certain positions are suitable for the job as it will exist in the new set-up, and if so, if they desire to remain in that capacity. Any questions along this line should be directed to Mr. Holstein.

The meeting adjourned at 1515 hours.

Leslie S Moore

LESLIE S. MOORE
Lt. Colonel, AGD
Chief, Admn. & Pers. Branch

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

30 October 1945

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MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 30 OCTOBER 1945

Present:

Economic Section	Mr. Cleveland
	Col. Densmore
	Col. Hulton
	Mr. Holstein
	Lt. Col. Moore
	Lt. Col. Quartier
	Lt. Col. Tooby
	Mr. Hayes
	Mr. Hughes
	Mr. Stauffer
	Major Smith
	Mr. Checchi
	Capt. Highland
→	Capt. White (Ex. Comm. Off.)
Agriculture Sub-Commission	Mr. Merritt
	Mr. Rudderham
Commerce Sub-Commission	Major Gent
	Major Scotten
Food Sub-Commission	Major Cowper
Finance Sub-Commission	Col. Mempace
	Lt. Col. Timmons
Industry Sub-Commission	Mr. Land
	Major Fewings
Labor Sub-Commission	Mr. Braine
P. W. & U. Sub-Commission	Col. Riistedt
Transportation Sub-Commission	Col. Buchanan
W. R. D. Sub-Commission	Major Wilson

Mr. Cleveland presided:

1. At the Executive Commissioner's meeting this morning the question again arose as to publicizing the arrival of ships carrying freight. Although it seems to be agreed that this should be done, no procedures have been established. Col. Hulton, with Commissioner Brough and PRO, will in-

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Col. Walton
Mr. Holstein
Lt. Col. Moore
Lt. Col. Quartier
Lt. Col. Tooby
Mr. Hayes
Mr. Hughes
Mr. Stauffer
Major Smith
Mr. Checchi
Capt. Highland
Capt. White (Ex. Comm. Off.)

Agriculture Sub-Commission — Mr. Merritt
Commerce Sub-Commission — Mr. Rudderham
Food Sub-Commission — Major Gent
Finance Sub-Commission — Major Scotten
Industry Sub-Commission — Major Cowper, Col. Menapace, Lt. Col. Timmons, Mr. Land
Labor Sub-Commission — Major Fewings
P. W. & U. Sub-Commission — Mr. Braine
Transportation Sub-Commission — Col. Ristedt
W. E. D. Sub-Commission — Col. Buchanan, Major Wilson

Mr. Cleveland presided:

1. At the Executive Commissioner's meeting this morning the question again arose as to publicising the arrival of ships carrying freight. 2662 Although it seems to be agreed that this should be done, no procedures have been established. Col. Walton, with Requisitions Branch and PRO, will investigate the matter and work out a plan for carrying this into effect.

2. Mr. Cleveland reported that the strikes in the coal mines and at the ports have had the effect of our losing about 20 days loading of coal [illegible] loadings and November arrivals. This will result in unemployment to the extent of a million man hours. To make sure that this matter is reviewed at the highest levels in Washington and London, a cable has been sent to Washington; Ambassador Kirk has been asked to send a message to the Secretary of State; the Executive Commissioner is asking SACMED to send a cable to the Combined Chiefs of Staff; and the British Ambassador has notified London about the situation. Simultaneously, there is an attempt being made to secure stronger and better representation for Italy in the European Coal Organization. Inasmuch as it costs three times as much for transportation charges from the U. S. to Italy as it does for the coal itself, and as money is a limiting factor, it is important that as much coal as possible be supplied from European sources.

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3. A situation similar to that of coal has been created in the petroleum field by the strikes in the oilfields and by the longshoremen. PETSEC is very much concerned about the deliveries not being made, and a cable is being sent to Washington. Commerce and Transportation Sub-Commissions were asked to confer and work out some sort of an agreement as to AC view with respect to petroleum.

4. Due to the fact that the original estimates for wheat were optimistic in terms of the actual situation, a request has been cabled for 125,000 more tons for December arrival and a warning that 200,000 tons over the program will be needed for January arrival.

5. The Italian Army, Navy and Air Force have recently become the charge of the Italian economy rather than of the military. It has been determined that the Category A Program should not be used to build up the Italian Army, Navy and Air Force, and a letter is to be written to inform the Italian government of this policy. Funds for this purpose should be taken out of the Italian Government program rather than the basic supply program.

6. At the Executive Commissioner's meeting, Col. Fiske raised the question of Inter-Regional barter agreements within and among the AMG Regions and Provinces. Col. Walton will meet with the appropriate groups and develop some directive for handling this problem.

7. Mr. Cleveland reported that it has now been decided to publish the terms of the armistice with Italy. A commentary as to its present applicability is being prepared at AFHQ, which will be issued simultaneously.

8. Discussions were held at the Executive Commissioner's meeting in regard to the system of elections which is being put in the form of a law to govern the national elections whenever they are held. There is still a problem on the advance publication that will be given to nominations. The present draft provides for posting of candidates the day of the election. Originally, non-commissioned officers and enlisted men were excluded from voting but that has now been changed so that they will be permitted to vote. Voters will have to vote a straight ticket and the system of proportional representation has been adopted. Each party will submit a priority list of its candidates. Civil Affairs Section are satisfied as to the secrecy at the polls, but not as to electioneers outside of the booth. This decree is before the Council of Ministers this morning.

9. The determination was made this morning that Venezia Giulia will no longer have priority as far as AC/AMG personnel is concerned.

10. AC has notified AFHQ that it has no objections to turning over ports

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9. The determination was made this morning that Venezia Giulia will no longer have priority as far as AC/AMG personnel is concerned.

10. AC has notified AFHQ that it has no objections to turning over ports that are still under AMG jurisdiction; that is, Leghorn, Taranto, Naples.

11. Because of the abolition of the liaison office in Sardinia, communications will have to go over civilian lines and will necessarily be slower than heretofore.

12. Col. Walton pointed out that the Italian Government has indicated its desire to attend some of the committee meetings which are being held in Northern Europe from time to time, and inasmuch as the Chief Commissioner has responded in a sympathetic manner, care should be taken to ensure that the representatives that attend these meetings have been appointed by the Italian Government. Mr. Cleveland stated that there is a slight tendency on the part of these European Committees to make their own political decisions; each has its own idea on the status of Italy. As far as AC is concerned, it is pretty clear that Italy should be represented as soon as possible. Whenever we are involved we should attempt to get Italian representatives, if feasible.

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13. Col. Walton brought up the matter of obtaining surplus items for the Italian Government. In order to reduce the calls upon OANIC to a minimum, it has been suggested that when the sub-commissions become aware of items desired by the Italian Government that they notify the ministry in a memo stating that the Government should undertake to [illegible] it bought from the OANIC and inform us of the action taken.

14. The question of epuration was discussed briefly. The matter is in the hands of the Civil Affairs Section who are drafting a memo which will clarify this situation.

15. Col. Donamore reported that Gen. Ridgeway proposes to take a trip around Italy to see American AMG officers with a view to determining a better policy as to promotion, etc. It was indicated at the Promotion Board meeting that it was not likely that officers would receive promotions who are leaving before 1 March. Col. Fiske stated that officers might make themselves eligible if they will sign until March, but there is no assurance on promotions. It is expected that the new T.O. will be sent to AFHQ this week.

16. Capt. Highland requested that the MOC and TAF numbers of cables be left blank as these numbers will be supplied by the office of the Chief Staff Officer before despatch. The regular cable number secured from the signal office should be typed in as heretofore. To ensure that a copy of the cable is returned to the originating office with the MOC or TAF number supplied, a copy of each cable submitted should be marked for return to the proper sub-commission. A directive with regard to the handling of cables will be circulated within the near future.

17. It is becoming increasingly important that any actions with respect to personnel be reported to Col. Moore. Col. Donamore stressed the importance of the sub-commissions' keeping him informed of their activities with G-1 and the Establishments Section.

The meeting adjourned at 1310 hours.

Leslie S. Moore

LESLIE S. MOORE
Lt. Colonel, AGD
Chief, Admn. & Pers. Branch

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.27/E0

16 October 1945

MINUTES OF ECONOMIC SECTION STAFF
MEETING HELD 15 OCTOBER 1945

Present:

Economic Section:	Brig. Gen. E. P. McKinley
	Col. Densmore
	Col. Welton
	Mr. Sullivan
	Lt. Col. Quartier
	Lt. Col. Tooby
	Mr. Hughes
	Mr. Stouffer
	Major Smith
	Mr. Checchi
	Capt. Highland
	Capt. White (Ex. Comm. Off)
	Lt. Durbar
Agriculture Sub-Commission	Mr. Rudderman
Commerce Sub-Commission	Major Scotten
Food Sub-Commission	Major Cowper
Finance Sub-Commission	Col. Vanpraet
	Major Timmons
Industry Sub-Commission	Mr. Land
Labour Sub-Commission	Mr. Braine
I. W. & D. Sub-Commission	Col. Richodt
Transportation Sub-Commission	Lt. Col. Goggins
W. R. Disposal Sub-Commission	Lt. Col. Deckmejian
	Major Bates

General McKinley presided:

1. Gen. McKinley announced that inasmuch as the Executive Commissioners' meeting are now held only on Tuesday, it seems appropriate that the Economic Section Staff Meeting should be changed to that day also so that the Sub-Commissions may be informed of items discussed at the Executive Commissioners' meeting as soon as possible.

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Col. Walton
Mr. Sullivan
Lt. Col. Quartier
Lt. Col. Tooby
Mr. Hughes
Mr. Stauffer
Major Smith
Mr. Chacchi
Capt. Highland
Capt. White (Ec. Comm. Off)
Lt. Durber

Agriculture Sub-Commission
Commerce Sub-Commission
Food Sub-Commission
Finance Sub-Commission

Mr. Rudderham
Major Scotten
Major Cowper
Col. Manapace
Major Timmons
Mr. Land

Industry Sub-Commission
Labour Sub-Commission
P. W. & U. Sub-Commission
Transportation Sub-Commission
W. M. Disposal Sub-Commission

Mr. Braine
Col. Ristedt
Lt. Col. Scoggins
Lt. Col. Dockmajian
Major Bates

General McKinley presided:

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2. No additional information regarding Mr. Cleveland's arrival has been received but he is expected to arrive within the week.

3. Col. Benmore stated that a memorandum regarding the Medal of Freedom is to be circulated throughout the Economic Section which sets forth the qualifications required of a person mentioned for this medal and the form in which the recommendation is to be presented. This medal may not be presented to U. S. military personnel. American civilians (for service outside of the U.S.), civilians of friendly nations, and military personnel of friendly nations may be recommended. The award may be made in four degrees and the degree recommended should be stated. It was been pointed out in some instances British officers have been recommended for the Legion of Merit; in a case of this sort an indication should be made on the report submitted that the individual has previously been recommended for the Legion of Merit. No quota has been established, but it is important that the recommendations be submitted on time.

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To (Capt White)

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4. At the Executive Commissioner's meeting this morning the advisability of turning over to the Italian Government the monthly AMG reports from the Regions and the Sub-Commissions was discussed. If this procedure is adopted, General McKinley stated that the Regions and Sub-Commissions should be so informed so that the reports will be written on the basis that they are available for everyone to see. Col. Newspace called attention to the fact the fact that the reports of the Finance Sub-Commission are not adapted to this purpose due to the fact that the form in which they are prepared is specified by Washington and it would not be desirable to make them available to the Italian Government. General McKinley suggested that it might be possible to prepare a resume which could be used for this purpose.

5. The last few days G-1 has been working directly with the Sub-Commissions reviewing the names of those officers who will be assigned to liaison teams in the North. Col. Densmore stated that he had asked the [illegible] Personnel Office to check with the Sub-Commissions to determine what report has been given to G-1, and to determine the designations of those people sent over for liaison jobs.

6. The records found in the North of machinery, equipment, parts, etc. that were taken out of the North and sent to Germany are needed for discussions with the Italian Government. Industry Sub-Commission is to look into this matter

7. Col. Walton mentioned that a meeting had been held with Col. Pickersgill yesterday to review the program of the military requirements for Venezia-Giulia and he inquired as to the progress that the sub-commissions were making with respect to securing the information requested at the meeting.

8. It is expected that the restatement of the wheat position will be completed this afternoon.

9. In disposing of U.S. salvage PWB has agreed to deal directly with the Italian Government instead of through the War Materials Disposal Sub-Commission. Col. Walton will investigate to see whether any AFHQ directive has been issued regarding this matter.

10. Major Cooper reported that Italian civilians who are sent out on specific jobs by AC are having to spend much more than the amount that they are reimbursed. The allowance is 250 L. a day and it is impossible for them to obtain accomodations and food for this amount. Col. Densmore will undertake to see if it is possible to have the allowance raised.

11. No further news has been received as to the turnover date.

12. Col. Newspace replied to Col. Densmore's inquiry regarding new ac-

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5. The last few days G-1 has been working directly with the Sub-Commissions reviewing the names of those officers who will be assigned to liaison teams in the North. Col. Densmore stated that he had asked the [illegible] Personnel Office to check with the Sub-Commissions to determine what report has been given to G-1, and to determine the designations of those people held over for liaison jobs.

6. The records found in the North of machinery, equipment, parts, etc. that were taken out of the North and sent to Germany are needed for discussions with the Italian Government. Industry Sub-Commission is to look into this matter

7. Col. Walton mentioned that a meeting had been held with Col. Bickerstaff yesterday to review his program of the military requirements for Venezia-Giulia and he inquired as to the progress that the sub-commissions were making with respect to securing the information requested at the meeting.

8. It is expected that the restatement of the wheat position will be completed this afternoon.

9. In disposing of U.S. salvage FBS has agreed to deal directly with the Italian Government instead of through the War Materials Disposal Sub-Commission. Col. Walton will investigate to see whether any AFHQ directive has been issued regarding this matter.

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11. No further news has been received as to the turnover date.

12. Col. Hemphec replied to Col. Densmore's inquiry regarding new accounting personnel by stating that two new officers have come in; however, no reply has been received from AFHQ or Washington on the major request for personnel. Mr. Hughes reported that 4 accountants who are now working in sub-commissions in a military status have been processed by FTA and as soon as they are demilitarized they will be available to Finance Sub-Commission. Gen. McKinley requested that the matter of transferring them to Finance Sub-Commission as military personnel be investigated.

The meeting adjourned at 12:40 hours.

Leslie S. Moore
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Lt. Col., AGD
Chief, Adm. & Pers. Branch

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HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

CWA/ml

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Minutes of Economic Staff Meeting

Held on 2 Oct 1944.

1. Present.

Economic Staff:	Mr. Antolini, Col. Densmore, Maj. Sullivan, Lt. Atkins.
Agriculture S/C	Lt. Col. Hartman, Lt. Col. Dickie, Mr. Allbaugh.
Commerce S/C	Maj. Scotton
Finance S/C	Col. Grafftey Smith
Food S/C	Maj. Imrie
Industry S/C	Col. Todd, Mr. Vaughan
P.W. & U. S/C	Lt. Col. Thompson
Shipping S/C	Mr. Bell
P.R.B.	Maj. Leacocos

2. Mr. Antolini reported upon the W.P. 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, warehousing, 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. Grafftey 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 some financial transaction between the Italian Government and UNRRA. American relief is entirely a free distribution.

Agriculture S/C	Lt. Col. Hartman, Lt. Col. Dickie, Mr. Allbaugh.
Commerce S/C	Maj. Scotton
Finance S/C	Col. Grafftey Smith
Food S/C	Maj. Imrie
Industry S/C	Col. Todd, Mr. Vaughan
P.W. & D. S/C	Lt. Col. Thompson
Shipping S/C	Mr. Bell
P.R.B.	Maj. Loescaces

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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, warehousing, 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. Grafftey 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 some financial transaction between the Italian Government and UNRRA. American relief is entirely a free distribution.

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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-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 manufacture were critical and would require importation. Obsolescent 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. Donovan referred to the application from Brig. Upjohn

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Action
Transportation Sub-Commission

for the supply of vehicles, etc., to the mine training schools and said he was awaiting a reply from Transportation Sub-Commission.

5. Political. Mr. Antolini referred to Mr. Caccia'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 predominating with the scales slightly in favor of the Socialists. This may cause a change or reshuffle in the government.

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

(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 40,000--amazing 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. Baines' request to be relieved as Director Labor Sub-Commission had been received and accepted per announcement at V.F. meeting today. Col. Smith to be appointed Acting Director.

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

Action
Col. Donnemore

9. General. Col. Donnemore 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 ACC comment or approval. It was important that no delay in these matters could be attributed to ACC. He also had to point out that some Sub-Commissions in their communications with the Italian Government couched them in needless dictatorial terms reminiscent of AMG regime. He suggested that "recommendation" is preferable to

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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 ACC comment or approval. It was important that no delay in these matters could be attributed to ACC. He also had to point out that some Sub-Commissions in their communications with the Italian Government couched them in somewhat dictatorial terms reminiscent of AMG regime. He suggested that "recommendation" is preferable to "orders". In answer to questions he agreed to see Legal Sub-Commission as to Sub-Commissions being provided with copies of the Armistice Terms.

Action
Col. Donsmore

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

Action
All S/C's

11. Mr. Antolini reported that the following provinces will be handed back to the Italian Government probably on 16 Oct.
TERAMO, AQUILA, PESCARA, CHIETI, RIETI and VITERBO.

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

13. Mr. Bell mentioned that Capt. Northcote Grisford, one of a party about whom a report was asked by Troupers, 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. Forr, 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 be relied upon such decision of the Sub-Commissions.

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

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

DISTRIBUTION
Econ Sec (4)
All Sub-Comms (1) ea.
ACC rep. at AAI (2)
P.P.B. (1)
Chief of Staff (1)
Establishment Sec. (1)
Civil Affairs Sec. (1)

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Tel: 415

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

JBT/es

Ref: 1.27/ES

MAY 19 Pec'd

Minutes of Economic Section Staff Meeting Held on 11 May 1945

Present:

Economic Section	Brigadier General McKinley Brigadier Anderson Colonel Densmore, Colonel Walton Lt. Col. Thompson, Major Smith
Agriculture Sub-Commission	Mr. Rudderhom, Mr. Durkelow
Commerce " "	Major Scotton, Lt. Col. Oxley
Finance " "	Brigadier Crafftey-Smith
Food " "	Lt. Col. Irrie
Industry " "	Lt. Col. Meskrey, Major Kilner
Labor " "	Mr. Sachs, Mr. Scott
Public Works & Utilities S/C	Lt. Col. Thompson
Transportation S/C	Colonel Thomas
Executive Comm. Office	Capt. Arnoldy

Brigadier General McKinley Presided

1. Items from the Executive Commissioner's Meeting, May 11:

   a. All officers making journeys to the North must keep HQ continually informed of their movements and whereabouts in case they are required urgently. Sub-Commissions will have this information available on call by Economic Section.

   b. Transport for Displaced Persons. It will probably be impossible to satisfy all demands; hence Transportation S/C should be prompt in reviewing such demands so that calls can be made on AFHQ where necessary.

   c. Civilianization. CAO, AFHQ has called upon the AC for a long-term plan predicated upon turn-back of territory by stages. Sub-Commissions to give thought so that when called upon they will be able to give their views without delay.

   d. There is in prospect a turn-back of more territory in the area of Livorno and Pisa. Civil Affairs Section will forward a draft to Economic Section for concurrence.

2. Brigadier General McKinley referred to the matter of representation at meetings

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Commerce	"	Major Scotten, Lt. Col. Oxley
Finance	"	Brigadier Grafftey-Smith
Food	"	Lt. Col. Imrie
Industry	"	Lt. Col. Meakrey, Major Kilner
Labor	"	Mr. Sacha, Mr. Scott
Public Works & Utilities S/C		Lt. Col. Thompson
Transportation S/C		Colonel Thomas
Executive Comm. Office		Capt. Arnoldy

Brigadier General McKinley Presided

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   d. There is in prospect a turn-back of more territory in the area of Livorno and Pisa. Civil Affairs Section will forward a draft to Economic Section for concurrence.

2. Brigadier General McKinley referred to the matter of representation of Ministers of Italian Ministers on economic problems. Sub-Commissions to keep in touch.

3. Brigadier General McKinley asked help and cooperation of all in connection with new organization of Economic Section to make it function properly, particularly to facilitate transaction of business, handling of correspondence and administration in general. Sub-Commissions to give added emphasis to their own administration. It is desired to stop outside complaints on slowness of action of AC. Sub-Commissions should not send down buck-slips indicating action to be taken, but rather prepare final letter for signature of Economic Section. Sub-Commissions will review correspondence and papers for form and manner of expression, particularly the letter, so that it is entirely clear what action is to be taken and by whom. Interim replies should be given on all matters of delayed action. All memorandums should receive attention and be answered, if required. Sub-Commissions requested to let Economic Section know any deficiencies when they occur.

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4. Information on Conditions in North. An answer is required, by end of week, to AFHQ signal which asks: "Does AC want to hold the economic boundary as at present, modified or do away with it?" Information has been so slow in coming back that an interim reply has been given by phone that an answer cannot be given until the return of Mr. Antolini.

Labor Sub-Commission stated that if wage level is to be kept at present low level, prices will have to be kept at present level also. Labor S/C recommended keeping economic boundary.

Brigadier Crafftey-Smith considered that it is well worth trying to hold economic boundary.

Commerce Sub-Commission stated that prices in shops are rising rapidly in Bologna, approaching Florence prices.

Food Sub-Commission stated that the food situation in Venezia is quite good except for province of Udine, where food supplies are to be dropped by air, owing to breakdown in road transport. It is reported that merchants from Bologna are in Apulia offering very high prices for wine.

5. Office Space. HQ Commandant has responsibility for moving outside organizations from AC. When this is done, unless plans are changed, a slow move within AC will take place. Brigadier General McKinley said that the allocation of space within sub-commissions would be made by individual sub-commissions. More space will be required for additional Economic Section staff. Allocations to sections and divisions should allow for contraction and expansion. Furniture will not be moved, as far as possible.

6. Fumigation of second floor annex was requested by Agriculture Sub-Commission. Major Smith to see HQ Commandant for immediate action.

7. Three WAC stenographers recently arrived were assigned as follows:

1 - Brigadier Anderson - temporary duty till 17 May 45.
1 - Commerce Sub-Commission
1 - Transportation Sub-Commission.

J. Bruce Thompson.

J. B. THOMPSON
Lt. Colonel, G. S.
Chief Staff Officer
Economic Section

Rel: 536 HEADQUARTERS ALLIED COMMISSION JBT/maa
APO 394.
ECONOMIC SECTION

4019

Ref: 1.27/ES

MAY 15 RECD

Minutes of Economic Section Staff Meeting held on 4 May 45

Present:

Economic Section		Mr. Antolini, Brig. Gen. McKinley, Brig. Anderson, Col. Murphey, Col. Densmore, Col. Malton, Lt. Col. Thompson
Agriculture	Sub-Commission	Mr. Allbaugh
Commerce	" "	Col. W. P. Lvans, Col. P. R. Lvans, Major Scotten
Finance	" "	Brig. Crafftey-Smith, Col. Menapace
Food	" "	Col. Legg, Lt. Col. Imrie
Industry	" "	Lt. Col. Maskrey, Maj. Kilner
Labour	" "	Mr. Braine
P&U	" "	Col. Ristedt
Transportation	" "	Col. Thomas, Col. Sieff
Executive Comm. Office		Capt. Arnoldy
American Embassy		Col. Green
British Embassy		Mr. Hosworthy

Mr. Antolini presided

1. Minutes of last meeting

   a. Item 1 - Office Space. The Accommodation Committee's plan for the reallocation of office space in this Headquarters has been approved. No move can be made until certain AC functions have been moved from AC Hq building. It is hoped to start the move in a week's time.

2. Mr. Antolini introduced Col. Green of the American Embassy. Divisions and Sub-Commissions were requested to give him such information as he may require. In the post war period the Embassies may have to assume many of the economic functions of AC and must, therefore, be informed of the current position.

3. Mr. Antolini referred to the party that he was taking North with him. He regretted that all Directors of Sub-Commissions could not be included. Economic statistics and data gathered on the trip will be coordinated on return by the Advisory Anti-Inflation Committee.

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Finance	"	Brig. [illegible]
Food	"	Col. Menapace
Industry	"	Col. Lee, Lt. Col. Imrie
Labour	"	Lt. Col. Maskrey, Maj. Kilner
PW&U	"	Mr. Braine
Transportation	"	Col. Ristedt
Executive Comm. Office		Col. Thomas, Col. Sieff
American Embassy		Capt. Arnoldy
British Embassy		Col. Green
		Mr. Nosworthy

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4. Mr. Antolini referred to a directive just received (501/76/EC dated 1 May 45, subject "AMG policy - Northern Italy). Copies are being distributed. All Sub-Commissions to study.

5. Mr. Antolini referred to the political and economic situation in the North and stated that it seems to be in good shape.

6. German Prisoners of War. Sub-Commissions asked what use they thought could be made of P.O.W. most of whom would be centered in Emilia Region. It had been decided impracticable to use them in the Sardinian coal mines, as, under the terms of the Geneva Convention, they would be fed better than the local miners. Col. Sieff stated that AFHQ have suggested that they be formed into CY companies. Brig. Gen. McKinley will look further into this.

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Col. Legg stated that the question of ration scales for the Germans was being reviewed. If they are treated as a disbanded army and not as P.O.W. it is proposed to give them one-third of the British/US ration.

7. Brig. Anderson stated that it was proposed to set up an Industrial Advisory Board with sub-committees each dealing with a basic industry, composed of representatives of AC, the Italian Government and the industry concerned. These boards would consider: (a) which industries should be put into commission, (b) when factories or industries could be handed over by the military to civil management, (c) how industries can be kept going until normal channels are open again.

8. Position of Transportation Officers in Naples Commune. Mr. Antolini directed that the position of Transportation Officers on Col. Pennycuick's staff should be settled between the Sub-Commission and the Commissioner. It is not desirable to raise this matter formally.

9. Col. Sieff reported on the conditions found in the port of Genoa. The port is in good shape but the block will take some time to remove. Fleet salvage experts estimate that it will take 30 days to blow the gap. Once the block is freed AFH stated that AC can have as much tonnage as they require within 15 days - by the middle of June, five to six thousand tons a day. Col. Sieff also reported on Venice and Trieste and the satisfactory state in which rail bridges had been found.

10. Railway wagons. A census is being made of the railway wagons found in the North and a controlling body will be set up for their allocation.

11. Transportation Sub-Commission wished to place on record their appreciation of the help given them by other Sub-Commissions in regard to future shipping demands.

12. Col. Legg reported on the food position found in the North. The position appears to be favourable but no really reliable reports have been received except from Emilia Region.

13. Sub-Commissions all stated that they were being heavily taxed by demands for British officers for escort duties, courts of enquiry, etc. Facts to be supplied to Brig. Anderson.

14. Col. Densmore referred to the new organisation of the Economic Section. He stated that the intention was that the Vice Presidents office should be burdened with the minimum amount of operation. Sub-Commissions to prepare papers in final action form so that they do not

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14. Col. Densmore referred to the new organisation of the Economic Section. He stated that the intention was that the Vice Presidents office should be burdened with the minimum amount of operation. Sub-Commissions to prepare papers in final action form so that they do not have to be written up in the Economic Section, except where the work of two or more Sub-Commissions is being coordinated. The Deputies will usually sign for the Vice President. Finance and Labour Sub-Commissions will report direct to the Vice President.

15. Category B goods. The import programme will have to be revised and reshaped, as the need will now be to introduce production goods rather than consumer goods. In order to gather data for the revision of the programme officers have been sent North. The intention is not to investigate industry by industry until the critical factors of transport coal and electricity have been surveyed. The

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programme is now in the mill and published. Therefore, we must produce revisions rather than a new programme. Sub-Commissions will have to work on the information when it is received from the North.

16. Col. Ristedt reported on the power situation in the North, which was satisfactory. The generating stations were hydro and did not depend on coal. Ferrara is the only city without electricity and this should be fixed up within a week.

J. Bruce Thompson

J. BRUCE THOMPSON
Lt. Col., R.A.
Admin. & Personnel Branch
Economic Section

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