

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

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10000/109/779

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NEW DEAL, ECONOMIC DIRECTIVE
MAR., APR. 1945

C.S.O.

For A/Executive Commissioner to see folio 2 and perhaps plan to attend supply conference.

23 April 45.

[Signature]
JCR.
Major.

A/Ex. Comm.

Do you wish to attend ref 2?

KT. 23/4.
Telbot

Noted.

P. 24/4.
N.E.F. & Co

C.S.O.

I sat in on this conference. Brig. Gen. McKinley discussed FMS 457 as it affected our future economic supply program to Italian Government.

AFIRS received considerable discussion, pro and con, - especially as to its proposal of sending representatives to make surveys in Army areas, - this proposal is seen in our file: 4026/45/EC.

25 April 45.

[Signature]
Major.

A/Ex. Comm.

Do you wish to attend ref 2?

RT. 23/4.
T. 16.1

Noted.

P. 24/4.
N.E.F. 16.2C.3.O.

I sat in on this conference. Brig. Gen. McKinley discussed PAN 487 as it affected our future economic supply program to Italian Government.

AFIB3 received considerable discussion, pro and con, - especially as to its proposal of sending representatives to make surveys in Army area, - this proposal is seen in our file: 4326/45/EC.

25 April 45.

9413
Major.

3691

COPY

HEADQUARTERS ALLIED COMMISSION.
APO 394
Office of the Executive Commissioner

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YB
21/41.01/ES
/EC

19 April 1945

SUBJECT: A. C. Supply Conference.

TO : Vice President of Section and Directors of Sub-Commissions
shown on Distribution List.

1. There will be an A.C. Supply Conference held in the General Conference Room, 3rd Floor, HQ, AG, at 1500 hours, Tuesday, 24 April 1945.

2. It is directed that a representative of the Civil Affairs Section, the Directors of Sub-Commissions shown on distribution list of this letter, together with the officer of the sub-commission who is responsible for the handling of requisition and supply matters which are processed through the Supply Division (Requisition Branch) of the Economic Section, be present for the above conference.

3. The conference will be under the chairmanship of Brigadier General E. B. McKinley, Deputy Vice President, Economic Section. A full explanation will be made of the supply situation as it affects the Italian Government, Allied Commission and particularly the requisitioning sub-commission a.

4. Attached is a copy of letter (Secret) from Chief Administrative Officer, AFHQ, dated 29 March 1945, subject: Functions and Duties of the Allied Commission for Italy. This letter is in fact a directive on matters appertaining to economics and supply. It is requested that this letter be carefully read by officers attending the conference prior to the conference and that the copy be retained by the sub-commission for its record and information.

By Command of Rear Admiral Stone:

S/L. W. STEARNS

for NORMAN E. FISKE, MAJ
Colonel,
Acting Executive Commissioner.

Incl - per para 4.

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See Minutes 3.4.5.6.

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ALLIED FORCE HEADQUARTERS
Office of the Chief Administrative Officer

29 March 1945

SUBJECT: Functions and Duties of the Allied Commission for Italy.

TO : Acting President
Allied Commission
A.P.C. 394

Arising out of JAF 487 from the Combined Chiefs of Staff, and the discussions and correspondence subsequent thereto, the following will constitute your directive on matters pertaining to Economics and Supply.

A. General.

1. Until the final cessation of hostilities with both Germany and Japan inadequate shipping can be expected to be a limiting factor. Currently it is a critical factor. All plans and programs, therefore, must be prepared with a view to minimizing shipping requirements during the continuation of military responsibility.

2. There must be maximum development and use of local resources of food and supplies of the nature now being imported. This is necessary not only because of the saving thus effected in shipping, but also because the resources available to the United Nations are being taxed severely to provide relief for the rapidly expanding liberated areas in all theaters of war. Relief at best can be considered only a temporary measure which is applied to areas recently liberated because of the forward progress of the battle line. Relief cannot be expected to be forthcoming indefinitely, but only for a period within which a liberated area reasonably may be expected to re-establish its own basic economy. It is imperative, therefore, that the areas long at liberated should be made rapidly self-sufficient, or as nearly thereto as is possible, in respect to those items of food and relief, the supply of which is now the responsibility of the combined US/UK military authorities. The Italian Government should be advised that to this end and as a pre-requisite to further economic assistance, it must formulate and implement appropriate economic controls and take all other steps possible. In the event these conditions are not met, the Allied authorities will not hesitate to impose the necessary controls or take other appropriate measures.

B. Relief.

3. The AC will formulate recommendations to this HQ as to imports necessary to provide the civilian population with those items of direct relief necessary to avoid disease and unrest which would prejudice the military operation. Action necessary to implement approved recommendations will be reflected in the CAL-LAC cable series.

4. In formulating such recommendations, due allowance shall be given to the availability of local supplies and necessary steps shall be taken to

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4. In formulating such recommendations, due allowance shall be given to the availability of local supplies, and necessary steps shall be taken to assure maximum use of local resources to reduce, as far as possible, the quantities of imports needed.

5. Direct relief of the civilian population shall be accomplished by the provision of minimum essential quantities of food, fuel, medical and sanitary supplies, clothing and footwear, administrative supplies, and public utility services, including transport needed to distribute relief supplies and in essential public service, power and communications.

6. Insofar as practicable relief for the civilian population shall be accomplished by the provision of raw materials, maintenance, and operating supplies (including supplies for coal mining, and aids to agricultural production, such as seeds, fertilizers, pesticides, etc.) to enable the civilian population to produce relief supplies which will reduce in the reasonably near future the volume of relief imports.

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file 2

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7. As the time when combined military responsibility will terminate will not be known when requisitions are being prepared and considered, the importation of supplies under Par. 6 above will not be excluded merely because the effect of such imports may not be felt during the period of combined military responsibility.

C. Military Production.

8. Although the responsibility for seeking out repairable facilities capable of producing or servicing munitions or other implements of war required by the military mission in this or other theaters of war rests with the technical services at AFHQ, the AC should bring to the attention of AFHQ such possibilities as may be determined by the AC.

9. The technical services, to the extent required by such military mission, will take all necessary action to () effect plant repairs to create the required productive capacity. (2) provide any government furnished raw or semi-fabricated materials necessary to secure the required production. () provide for the operation of the plant, and () take delivery of, and make disposition of the plant output.

10. The AC will cooperate with technical services undertaking munitions production projects under para. 9, and will coordinate the furnishing of contributory services thereto, effecting such restoration of power systems and transportation and communication facilities as may be necessary to insure the desired level of production.

D. Italian Industrial Rehabilitation Program.

11. AC shall formulate recommendations to CLAC as to imports necessary to meet the desires of the Italian Government within such policy or other instructions as may be formulated by CLAC (Washington) and transmitted to AC through CCAC (copy to AFHQ). Action by AC and CLAC with respect to such recommendations shall be reflected in the CC-ILAC cable series which shall be an action responsibility of AC and CLAC and shall be transmitted through CCAC (copy to AFHQ). This rehabilitation program is to be considered essentially on the basis of CLAC recurrent planning.

E. Italian Export Program.

12. AC shall formulate recommendations to CLAC on procedure under which export trade will be developed in conformity with the desires of the Italian Government and within such policy or other instructions as may be formulated by CLAC (Washington) and transmitted to AC through CCAC (copy to AFHQ). Action by AC and CLAC with respect to such recommendations shall be reflected in the CC-ILAC cable series which shall be in action responsibility of AC and CLAC and shall be transmitted through CCAC (copy to AFHQ).

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/s/ B. H. H. H.

B. H. H. H.
Lieutenant General,
Chief of Staff, AFHQ

Received
HQ Allied Commission 18 April 1945

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