

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

ACC

10000/109/799
(VOL. I)

MEETINGS
SEPT. 1945

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(VOL. I)

MEETINGS, VENEZIA GIULIA, ECONOMIC SECTION
SEPT. 1945 - MAY 1946

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

For: 5/12.
c50 Please see file ²⁴ 777 c for information ^{11/8/43}

~~25~~

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

5005

Ex. Com.

CSG - Julius 3-5 for info. Shouldn't we require what action they took on par 20?

Ex. Com.
10/10.

Ex. Com. 11/10

(7)

There not of lately even the report of the Joint Economic Council - Private. 12/10

3.

C.S.D.

No more minutes have been received by the Economic Section in fact the last one they hold is dated 6 September.

The J.E.C. meets over a month only. It will a Friday last so its minutes have not yet been published.

Ex. Com. 11/10.

10.

CSG

6-9 to info. Passages of interest are marked.

Ex. Com. 14/11.

"

Miss S. Blank, am. What alt. min?

CSG

12

Ex. Com. 15/11

C.S.D.

No more minutes have been received by the Economic Section - in fact the last one they would is dated 6 September.

The J.E.C. meets once a month only. 16 met on Friday last so the minutes have not yet been published.

Rebinder

16/10.

10.

C.D.

6-9 to info. Passages of interest are marked.

14/11.

u

Miss S - thank you - what alt. min?

C.D.

Surely he means Imperial military authorities occupying VQ? Capt B. agrees - I does not really wish to.

13

5004

I meant min 7. not para 7 of the Minutes at P. 6-a.

17/11

21/11
by Econ. Sec. Stockholders in sending minutes now
AC. is represented sketchily is the cause.
Econ. Sec. however are chivvy up. If not sent
as attached ✓ SEE FILE NO. 40567/EC. 14. 20/11.

785017

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
13 CORPS

Minutes of Economic Section Meeting held on 24th May 46 at 1600 hours.

PRESENT:

Lieut. Colonel D.S. BICKERSTETH

N.T. BEARD
F.W. RICE
J.E. FODEN
C.A.W. STEPHENS

Major

K. COOPER
J.H. HANBY
R.C. COX
J.R. SQUIRE
E.J. SCICLUNA
H.S.G. FRENCH
D. MAHONEY
F.W.W. TANNOCK

Captain

I.M. CALVANESE
L.H. WEIL
H. COKER
N.J. LISTER
R.C. IRWIN
J.C. STOTT

Economics
Finance
Transportation
Industry
Commerce

Economics
Supply
Price Control
Public Works
Labour
Joint Econ. Committee
Public Relations
Supply Officer Pola

Food
Agriculture
Trieste City Area
Economics
Gorizia Supply Officer
Commerce

Action by

Lt.Col.D.S.BICKERSTETH - Economics.

(a) - Shipbuilding for Trieste Yards.

During his stay in England, Lt.Col.Bickersteth had visited Ministry of Transport in London with Mr.Smith in regard to certain Work proposed for Trieste, without a great deal of success. British Naval Shipyards are short of work and the Government's Policy is to force shipowners to use them, though they themselves would in most cases prefer to send their ships (to Italy for instance) for conversions and repairs in normal civilian dockyards.

(b) - Food on the Free Market in Trieste.

Lieut. Colonel	D.S. BICKERSTETH	Economics
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	F.W. RICE	Transportation
	J.E. FODEN	Industry
	C.A.W. STEPHENS	Commerce
Major	K. COOPER	Economics
	J.H. HANNY	Supply
	R.C. COX	Price Control
	J.R. SQUIRE	Public Works
	E.J. SCICLUNA	Labour
	H.S.G. FRENCH	Joint Econ. Committee
	D. MAHONEY	Public Relations
	F.W.W. TANNOCK	Supply Officer Pola
Captain	I.M. CALVANESE	Food
	L.H. WEIL	Agriculture
	H. COKER	Trieste City Area
	N.J. LISTER	Economics
	R.C. IRVIN	Corizia Supply Officer
	J.C. STOTT	Commerce

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(b) - Food on the Free Market in Trieste.

The Commander 13 Corps had expressed some surprise as to the large quantities of food apparently for sale in the shops of Trieste. The S.C.A.O. had asked Food Division to prepare a report on the position.

(c) - Textiles in Venezia Giulia.

There was at present a glut of textiles on the Trieste Market, largely due to the fact that goods were priced too highly.

Lt.Col.STEPHENS - Commerce - remarked that this was largely due to the large number of taxes imposed before the article reached the consumer.

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- 2 -

Action by:-

Lt.Col.Bickersteth requested that Price Control Division make an investigation.

(d) - Pilferage of U.N.R.R.A. Supplies and the Black Market.

At a conference held a few days ago in Trieste, an U.N.R.R.A. London Office official stated that losses in Trieste due to pilferage, were the highest in the world. Brigadier BASTIN (Brig.1/c Admin.13 Corps) was introducing measures to combat pilferage but we should do our part by trying to eliminate the Black Market.

(e) - Need for a Statistical Office.

Lt.Col.Bickersteth stressed the need for some sort of statistical Office in A.M.G.

Lt.Col.Beard stated that he was setting up such an office from a finance point of view.

Lt.Col.Bickersteth stated that Labour was already collecting Cost of Living and other labour statistics, he was only anxious to prevent duplications.

(f) - School for Artisans.

Lt.Col.Bickersteth requested that in order that we should have the maximum number of skilled building labourers available in the territory the question of increasing the activities of this school be carefully considered.

Major SQUIRE - Public Works } stated that contractors had not
Lt.Col.FODEN - Industry } complained of a shortage of building labour.

(g) - Rebuilding of Distressed Villages.

Lt.Col.Bickersteth stated that he had paid a visit to the Distressed villages and was of the opinion that work should be going ahead more quickly than at present.

Lt.Col.Beard stated that there had been difficulty as the SLOVENE opposition had told householders that there was no law under which A.M. could pay whole cost of rebuilding and sooner or later they would be called on to pay.

Legal Division are now working on a Decree which will eliminate this difficulty.

2. Lt.Col.STEPHENS - Commerce.

(a) - ARCA COAL for SELVEG (Payment of Yugoslav Electricity Debt).

(e) - Need for a Statistical Office.

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Legal Division are now working on a Decree which will eliminate this difficulty.

2. Lt.Col. STEPHENS - Commerce.

(a) - ARGA COAL for SELVEG (Payment of Yugoslav Electricity Debt).

A discussion took place on the above subject.

Lt.Col. Beard stated that SELVEG had informed him that coal was not arriving as quickly as promised. This, he understood, was not the fault of the Yugoslavs, but of UGENA, who had not allotted sufficient ships.

Capt. Stott (Fuel Officer) for Lt.Col. Stephens, stated that coal was coming in faster now - there was no difficulty over shipping. Any delay there had been was due to SELVEG who had attempted to insist on payment of the debt in 30 days instead of 90 days.

Lt.Col. Bickersteth ruled that SELVEG should not be allowed to interest themselves in this coal. Their debt will be paid by us through sale of the coal. 5000?

- 3 -

Action by:-

It was agreed by the meeting that the coal importers be made responsible for getting the quantity of coal in question at the rate specified.

Lt.Col. Bickersteth stated that in his opinion 6% was too much profit for the Coal Importers association to make and asked that Price Control and Industry investigate.

Lt.Col. FODEN - Industry - raised the question of the SOLVAY Soda Company who wanted to import 2,500 tons of ARSA Coal per month with their own ships.

Lt.Col. Stephens: This was another example of big industries being their own importers and cutting out the Coal Importers Association and their 6% profit. It was agreed that a meeting be held on Monday 27 May 46 between Economics, Transportation, Commerce and Industry.

Capt. Stott - (Fuel Officer) asked if the Finance Branch could investigate the Coal Importers Association.

Lt.Col. Beard stated that on a written request from Commerce, they would do so.

(b) - Motor - vehicle Licenses.

Lt.Col. Stephens continued: New licenses are due on July 1st 46 and will be granted by civilian Body, the successor to RACI, who have now taken over this work from the Venezia Giulia Police Force. It may be necessary to extend present permits for one month to enable the new Body to get itself organised.

(c) - Cotton Goods from Gorizia Mill.

The second lot of cotton goods is now ready for distribution. Samples and prices, passed by Price Control, have been sent to Areas.

5. Lt.Col. RICE - Transportation.

(a) - Tyre Allocations.

The need for more careful screening of demands for tyres by Divisions was urgent. Too many recommendations are being made in view of the short supply.

Lt.Col. Stephens - Commerce - suggested that the Civilian Car Licensing Body being set up should screen tyre demands, as they were in a better position to do so than AMG.

Lt.Col. ... agreed to this suggestion.

Lt.Col. FODEN - Industry - stated that although he had given many recommendations he had no idea to whom tyres had actually been allotted. Could Transportation keep Divisions informed

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Lt.Col. agreed to this suggestion.

Lt.Col.FODEN - Industry - stated that although he had given many recommendations he had no idea to whom tyres had actually been allotted. Could Transportation keep Divisions informed when tyres were allotted as a result of their recommendations.

(b) - Long Trips by Motor Transport.

Applications were being made for long trips into Italy by Motor vehicles. In view of the shortage of POL, rail transport should be used for long hauls.

Lt.Col. suggested that Licenses issued by Commerce Division should be franked "Rail Transport" by approving Division where possible.

This was agreed by the meeting.

- 4 -

Action by:-

Captain CALVANESE - Food - pointed out that food products could seldom wait for a month as was necessary sometimes in obtaining rail transport. This however, would not interfere with the general scheme as suggested by Lt.Col.Foden.

4. Major COX - Price Control.

New Bus Service.

A new bus service has just been started in the city by a Private Company in which a maximum of 7 lire fare is being charged, as against the 4 lire maximum permissible. Trieste Area will be asked whether they have given permission for this service as ACEGAT should have first choice of running services in Trieste, which is their responsibility.

5. Captain CALVANESE - Food.-

(a) - Weekly Food Report - Attached as appendix "A" to these minutes.

(b) - Warehouse Space in the port.

There is a shortage of warehouse space for food, which is aggravated by Public Health Division having some inflammable goods in the food warehouse. They have been asked to remove these, and in the meantime a second warehouse is being sought. Lt.Col.Foden suggested that Food Division speak to the port Commandant about warehouses repaired by Industry Division in the New Port.

Alvan for CMA RA
D.S. BICKERSTETH
LIEUT. COLONEL
ECONOMICS

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Approved for CTR RA
D.S. BICKERSTETH

D.S. BICKERSTETH
LIEUT. COLONEL
ECONOMICS

5000

APPENDIX A.

WEEKLY FOOD REPORT.

1. Situation as of 23 May 1946.

2. Flour (ex wheat) milled at 91 % (dark flour)

(626 Tons Shed Nr 6)
(176 " wholesalers)Stock on hand:

A) Trieste city	:	802 Tons
Gorizia "	:	33 "
Pola "	:	130 "

965 TonsB) In other Communes
of Trieste & Go-
rizia and at the
mills

: 624 "

Total 1586 Tons

C) Subsistence for Bread : till 7 June 1946.

3. American white flour:

A) Trieste city	:	182 Tons (Shed Nr 6)
B) At Pastifici of Udine Province	:	1118 "

1300 TonsThis quantity has been stopped in order to know if the flour
will be used for Pasta or Bread.

C) Further Subsistence 13 days.

D) General Subsistence till 20 June 1946.

4. Pasta:

Stock on hand:

52 Tons actually on distribution
670 " for May issue (stopped)

5.

S/S "MESHSKNOT"This steamer is now unloading in the port of Trieste. For
V.G. following allocations have been advised:

Sugar	96.6 long tons
Fats	120.8 "

2. Flour (ex wheat) milled at 91 % (dark flour)

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 B) At Pastificio of
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1300 Tons

This quantity has been stopped in order to know if the flour
 will be used for Pasta or Bread.

C) Further Subsistence 13 days.

D) General Subsistence till 20 June 1946.

4. Pasta:

Stock on hand:

52 Tons actually on distribution
 670 " for May issue (stopped)

5. S/S "ARSHSKNOT"

This steamer is now unloading in the Port of Trieste. For
 V.G. following allocations have been advised:

Sugar 96.6 long tons
 Rats 120.8 "
 Soup, Del. 30.1 "
 Meat canned 9.7 "

Of 11 tons of Fish preserved, borrowed in Venice from ALCOA for repayment
 Genova in February 1946.

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HEADQUARTERS
ALLIED MILITARY GOVERNMENT
13 CORPS

Minutes of Economic Section Meeting held on 10 May 1946 at 1600 hours.

PRESENT:

Lieut. Colonel	C.A.W. STEPHENS	Commerce
	N.T. BEARD	Finance
	F.W. RICE	Transportation
Major	K. COOPER	Economics
	J.E. FODEN	Industry
	E.H. RICHARDSON	Public Works
	H.F.J. MYATT	Food
	E.J. SCICLUNA	Labour
	R.C. COX	Price Control
	J.H. HANRY	Supply
	F.W.W. TANHOCK	Pola Supply Officer
Captain	L.H. WEIL	Agriculture
	J.F. KEIM	Trieste Supply Officer
	L. MEIR	Supply
	N.J. LISTER	Economics
Lieutenant	J.C. FREELAND	Supply
	F.S. LICOSI	Gorizia Supply Officer

1. Major K. COOPER - Economics - opened the meeting. Action by:-

(a) - ACBGA Public Services.

At a conference held this afternoon with Col. Bowman, the S.C.A.O. ruled that the suggested tariffs put up by Price Control could be adopted retroactive to 23 Feb. 1946.

Meanwhile Industry Division would keep a close supervision on the Companies operation. Maj. COX, Price Control Div., has been instructed to set up a College of Directors, in coordination with Industry Division and Trieste Area

Economics

After 60 days a written

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	N.T. BEARD	Finance
	F.V. RICE	Transportation
Major	K. COOPER	Economics
	J.E. FODEN	Industry
	E.H. RICHARDSON	Public Works
	H.P.J. MYATT	Food
	E.J. SCICLUNA	Labour
	R.C. COX	Price Control
	J.H. HARTY	Supply
	F.W.W. TANNOCK	Pola Supply Officer
Captain	L.H. WEIL	Agriculture
	J.F. KEIM	Trieste Supply Officer
	L. MEIR	Supply
	N.J. LISTER	Economics
Lieutenant	J.C. FREELAND	Supply
	F.S. LICOSI	Gorizia Supply Officer

1. Major K. COOPER - Economics - opened the meeting. Action by:-

(a) - ACEGAT Public Services.

At a conference held this afternoon with Col. Bowman, the S.C.A.O. ruled that the suggested tariffs put up by Price Control could be adopted retroactive to 23 Feb. 1946. Meanwhile Industry Division would keep a close supervision on the Companies operation. Maj. COX, Price Control Div., has been instructed to set up a College of Directors, in coordination with Industry Division and Trieste Area Commissioner's representative. After 60 days a written report of the Company's operation will be submitted to Economic Section for review and submission to the SCAO. Economics

4998

(b) - General Order 45 (Control of Goods across the Morgan Line).

The Jugoslavs have instituted a system of granting export licences for food coming from Zone B and Yugo - slavia into Zone A, which has been discussed at the Joint Economic Committee.

Maj. MYATT - Food - objected to this arrangement as he was of the opinion that it would hinder the small quantities of foodstuffs brought in every day by numerous small farmers.

558

HPT DE 4)

- 2 -

Action by:-

Economics

Maj. Cooper stated that the alternative to our agreeing to this arrangement was that the Yugoslavs would institute their own control posts, which would stop the passage of food altogether. The necessary amendment to the order making export permits from Zone B necessary in the case of food, would be put into effect.

(c) - Proposal to salvage sunken AMG Grain Ship.

A proposal has been received from a local Salvage Company to raise a ship sunk off Trieste last December carrying grain on allegedly AMG account. It was suggested by the Salvage Company that the grain be used as cattle feed.

Captain WEIL - Agriculture - doubted whether grain which had been at the bottom of the sea since December, would be of much use even as feed. He suggested that before embarking on such a project, a sample sack be brought up by divers, to see whether salvage is justified.

Major FODEN - Industry - remarked that there were a large number of small companies who called themselves Salvage Experts, without having the necessary qualified personnel or equipment, this Company should be investigated.

Major Cooper ruled that if, in fact, the grain had been consigned to A.M.G., and no expenses would be borne by this H.Q., he would authorize the project to proceed.

(d) - Use of Port Facilities of Trieste for Austrian Trade.

Maj. COOPER asked Lt.Col. BEARD to state what had been agreed with ACABRIT on this question.

Lt.Col. BEARD - Finance - stated that ACABRIT suggested exporting timber and other surpluses to foreign countries, using the facilities of Trieste Port on a 2 year credit account. ACABRIT was told that we were unable to give them a 2 year credit, but would accept payment in kind. This they refused at this time. We are awaiting further developments.

(e) - Repairs to the Port of Trieste.

Lt.Col. STEPHENS - Commerce - drew attention to the letter written by Mr. CHAPLIN, Ministry of War Transport

representative, to NOIC urging the repair to the port be carried out to the scale envisaged by normal commercial activity.

Maj. FODEN - Industry - stated that work was already going ahead on a very big scale, and after discussion with Port Commandant and Kings Harbour Master, he had sent in a complete report on reconstruction to NOIC for submission to Mr. CHAPLIN. Dredging programme was now drawn up in

Economics-
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4997

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Finance

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Industry

4997

(f) - Supply Programme.

Maj. COOPER continued; Some difficulty was apparently being encountered through the fact that supplies demanded last Autumn were now, owing to a change in local conditions, not required, or at least required on a reduced scale. This was the case with blankets, where we had, in March, asked for a reduction in our demand, but had been informed that these blankets would arrive, as it was too late to

Supply

28

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Action by:-

cancel shipment. Meanwhile Supply Division in conjunction with Commerce and other interested Divisions, should work out a disposal plan as soon as possible.

(g) - Rehabilitation Programme,

Maj. COOPER asked if Programme was being pushed along.
Maj. FODEN - Industry replied that, as promised, he would submit his demand to Supply Division by Mid-May 46.

Industry

2. Lt.Col. STEPHENS - Commerce.

(a) - Cotton Policy.

In answer to a question by Lt. MICOSSI - Supply Officer Gorizia - Lt.Col. Stephens stated that Disease and Unrest Cotton could not be exported by the mill without AFHQ permission. Any experts of surplus cotton goods would be handled through the normal channels.

(b) - P.O.L.

A letter had been received from Rear 13 Corps stating that there is a world shortage of gas oil and that civilian consumption would have to be cut to an absolute minimum. Commerce (Fuel Section) therefore is working out a plan in anticipation of a cut in our allotment, in cooperation with all interested Divisions.

3. Lt.Col. BEARD - Finance.

Venezia Giulia Housing Projects had been discussed with Maj. RICHARDSON and various organisations who have put forward schemes for building both Case Popolari and better class property. A scheme was being worked out but the main difficulty was the shortage of certain skilled building labour. Labour Division and Public Works must concentrate on getting a solution to this problem, as Finance Division is ready to finance the programme.

Maj. RICHARDSON - Public Works - said that he was in close touch with Labour Division on this. Labour Division is canvassing its field for the necessary skilled labour, and when the survey is completed, that Division and Public Works will undertake the task of building new apartments and houses for Venezia Giulia with available labour.

Labour-
Public Works

Maj. COOPER suggested when Labour Division's report was completed he be notified of its results. If necessary some provision might be devised to bring in a minimum number of Italian skilled labourers in order that more unskilled workers of Venezia Giulia might be employed and the housing programme proceed.

Labour

4. Maj. FODEN - Industry.

4946

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4. Maj. FODEN - Industry.

SOLVAY Soda Works at Monfalcone.

These works are now ready to begin production and management (firm is actually Belgian owned) wants certain financial guarantees.

Lt. Col. BEARD said that he would be willing to do this if he is given all details.

Maj. FODEN continued to the effect that he would exert every effort to obtain 2500 tons of ARSA coal for the works in order to start production. A two months supply of raw material is needed before the plant opens.

Labour-
Public Works

Labour

4995

Industry

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5. Maj. RICHARDSON - Public Works.

Action by:-

- (a) - Ex Balilla building is now almost complete and it was suggested that Labour Division and Public Works obtain accommodation in this building, as they are overcrowded at present.

(b) - Policy for Small Projects.

Would Finance Division agree to allow Public Works to spend a fixed amount of money on small projects without individual consultation?

Public Works

Lt. Col. BEARD said that he would agree, and asked that the proposition be put up to him in writing.

- (c) - Debris clearing schemes are working well, especially in Industry.

6. Major MYATT - Food.

There is on hand 3236 tons of wheat which will furnish bread for Venezia Giulia until about 8 June, and there is 1756 tons of flour on hand which has been milled for pasta. If this pasta flour is held until all bread flour is consumed, and is issued as a substitute for bread, then it would carry the ration for an additional seventeen days. Thus by issuing no pasta ration with the present stocks of wheat and flour the population could be carried until about 25 June. There is presently in the channels of distribution approximately 560 tons of pasta which should have been issued in April, but which was not due to unavailability. Also there is about 400 tons of flour which has been milled for pasta, and which is in the mill and warehouses. These 400 tons could be used to give a 600 gram issue of pasta for May, or it could be used as bread substitute, and thus lengthen the ration for an additional three days or until about 23 June.

Major MYATT suggested that the latter 400 tons be held until something definite on future deliveries shows up. If nothing further is forthcoming then it should be used as a bread substitute, otherwise a special 600 gram pasta ration was suggested.

Allied Commission says there are no further reports on any food ships. All above figures are tentative. Giving pasta in lieu of bread should only be considered as a very last resort.

Food -
Economics

(b) - Policy for Small Projects.

Would Finance Division agree to allow Public Works to spend a fixed amount of money on small projects without individual consultation?

Lt. Col. BEARD said that he would agree, and asked that the proposition be put up to him in writing.

Public Works

(c) - Debris clearing schemes are working well, especially in Industry.

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Allied Commission says there are no further reports on any food shops. All above figures are tentative. Giving pasta in lieu of bread should only be considered as a very last resort.

Food -
Economics7. Captain WEIL - Agriculture.

reported that Agriculture and Food Divisions were preparing a letter requesting Venezia Giulia Police help to amass grain in the territory. Amassing is due to begin in late June.

499

8. Major RICHARDSON - Public Works.

In Pola all Public Works are proceeding at the maximum speed. There is one hold-up and that is in the removal of debris. This apparently is due to the slowness in the proceeding to be followed in this work.

Public Works

Seamines. The Navy has now turned over to AIG the task of removing all mines and explosives. However, it appears some difficulty may be encountered since the Navy still

- 5 -

exercise operational control of our squads engaged in re-moving the mines.

Action by

Requisition Policy on Repaired Buildings.

Word has been received that the army will not, as a general policy, requisition buildings repaired under General Order 14. It will be only in extreme emergencies that the power of requisition will be exercised to take such repaired houses.

Bonifica Visit.

An inspection trip was made yesterday by a group from this Headquarters, including Col. BOWMAN, to observe the progress of work on the bonificas near Grado. It was a pleasant and successful trip, and everyone making the trip (in a motor launch) commented favourably on the progress.

Captain WELLS agreed to plan a trip for the rest of the Economic Section and report back at the next meeting.

Agriculture

9. Major SCICLUNA - Labour.

JURAGA replaced RADIC and UAIS are now completely under 6 Via Carducci, which is making things difficult. This makes our legislations early introduction imperative.

Major SCICLUNA. Could trainees of schools be put in some definite section of Building (i.e. bricklayers)? Teachers would take charge.

Major RICHARDSON and Major SCICLUNA are to get together on this and report to Maj. COOPER. Thus building would be practical. At present men are difficult to place because of the lack of practical experience. School would thus completely produce trained men.

Major FORD suggested contractors be directed to use so many men from school; but this was left to the discretion of Public Works and Labour Divisions.

Labour-
Public Works

Major TANNOCK: Artificial Manure Factory of Montecatini will not work, but Vetrocco will supply raw materials from Tunis etc. and I hope to have more details for next week's meeting on this subject.

Transport situation now good; good ship Pola now operating. Truck Pool also good.

Public Works
Labour

In conclusion, Major COOPER stated that a financial settlement on the 2500 bales of Cotton obtained from Italy had been concluded with the Cotonificio Triestino.

26

Agriculture

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Labour-
Public WorksPublic Works
Labour

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KENNETH COOPER

MAJOR F.A.

DEPUTY CHIEF ECONOMIC SECTION

Copy No 20HEADQUARTERS
ALLIED MILITARY GOVERNMENT
15 CORPSSECRET

ECONOMICS SECTION

DEC 5 1945

Minutes of the Economics Section meeting held on 24 Nov 45 at 0900 hours.

PRESENT : - Major C.A.W.D.T. STEPHENS
J.D. MOON
D.H. RICHARDSON
L.R. STANFORD
C.W. LOCKWOOD-LEATHAM
J.R. SUTHERLAND
L.W. TAYLOR

Commerce
Industry & Utilities Div,
Public Works
Price Control
Transportation
Agriculture
Supplies Offr. POLA

Agriculture
Supply
Finance

Fuel Section
Economics
Supplies Offr. GORIZIA

Captain L.H. WELLS
L.W. OAKLEY
H. FARMER

Lieut. H.S. BURROWS
N.J. LISTER
H. COSSY

1. ECONOMICS (Lt. LISTER) : -

Major STEPHENS had stated that 1,200 bales of cotton for the GORIZIA mills were expected from GENOA, and 200 tons were expected from SICILY. As the selling price of Sicilian cotton was not known, it was decided that information should be sought from AC ROME.

2. PUBLIC WORKS (Major RICHARDSON) : -

(a) For the information of departments Major RICHARDSON stated that his new telephone numbers were 3934 and 7883 (ex. 63) Capt. SQUILLI's number being ex. 66.

(b) Industrial Port - To put this project into operation would involve: -

- (1) Repair of damage
- (2) Preparation of ground
- (3) Development of everything except the canal
- (4) Development of the canal

The total cost of this would be 2,750,000 lire.

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Members : - Major C.A.V.D.V. STEPHENS
 J.B. MOORE
 E.H. RICHARDSON
 L.R. STANLEY
 C.V. LOCAFOOD-TATHAM
 J.R. SUTHERLAND
 P.W. TAYLOR

Captain L.H. WELLS
 L.W. OAKLEY
 H. BARRIMOND

Lieut. E.S. BURTON
 N.J. LISTER
 M. COSSY

Commerce
 Industry & Utilities Div.
 Public Works
 Price Control
 Transportation
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Agriculture
 Supply
 Finance

Fuel Section
 Economics
 Supplies Offr. GORIZIA

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The total cost of this would be 2,750,000,000 lire.

It is advised that this reclaimed land would not be suitable for agriculture. Major RICHARDSON then stated that the costs were so heavy, as to warrant the project being reviewed by higher authority.

(c) Plywood - A certain amount of plywood had been found, and this would substantially supplement our small supplies of glass. Orders had been issued to the effect that only 25% of glass would be used in repairing damaged buildings, the other 75% being plywood. Commerce had issued a blocking order.

See h. 25.

PA 9/12

- 2 -

3. INDUSTRY (Major LODI) : -

Despite some rumours to the contrary in the Italian press, it was expected that gas would be on in MILAN by the 27th of November.

Lt. BURNOS (Fuel Officer) stated that he had asked the Italian papers concerned to withdraw their remarks.

4. FINANCE (Capt. HARRIS) : -

The ban had now been lifted on metropolitan lire and both metropolitan and Allied Military lire were now circulating freely in VERONA GIULIA.

5. FUEL (Lt. BURNOS) : -

(a) Coal - Of the 6,000 tons expected, only 1,690 tons had arrived. This meant that Industries could not be provided with any coal at all, and for heating purposes alone, both GORIZIA and TRIESTE would be 200 tons short. Fortunately ICHAD had a sufficient supply. Apart from supplies for gas only 2,500 tons of coal were expected in December.

(b) Gas coal - Some of the gas coal of the December allocation might be available for heating purposes.

(c) "Pastificio" - Capt. CALLEY stated that these firms which made "pasta", were urgently in need of coal and Lt. BURNOS said that he would do his best for them.

(d) Fuel Oil - 1,750 tons of fuel oil had been released from local storage, and 65% of this oil mixed with 35% of petrol would yield 150 tons of heating oil per month. It was suggested that Industries might use this.

Major STEWART commented that the expense of converting coal furnaces to oil burners was not warranted, as the coal situation was bound to improve in the future, the present shortage being due to strikes in the United States.

(e) Wood - Lt. BURNOS stated that GORIZIA was complaining of shortage of wood. Lt. HOCKEY, however, stated that the Chamber of Commerce in GORIZIA had assured him that they would get plenty of wood. The reason for this appeared to be that the black market price for wood in GORIZIA was 200 lire per quintal compared with our controlled price of 520 lire.

Major STEWART then stressed the fact that it was becoming increasingly necessary for us to have an Allied Military GOVERNMENT representative in MILAN in close co-operation with the "North ITALY Industrial Council" so that release notes for wood etc. which we wanted from neighbouring provinces could be obtained quickly.

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6. TRANSPORTATION (Major LOCKWOOD-PATHAN) : -

- (a) Lists had been obtained of vehicles available for requisitioning.
- (b) 150 class II or III WD vehicles would be collected shortly; a R.E.M.E. report was being awaited.

7. ICOLA (Major TANNOCK) : -

4992

- (a) There had been a demonstration of unemployed women outside Major TANNOCK's Office; the women demanded:
 - (1) More work
 - (2) Reduction in "black market prices"
 - (3) Increase in rations

7. POLA (Major TAMMOCK) : - (Cont.)

Major TAMMOCK admitted that the situation was very bad, and said that he had already sent a request to higher authority for an increase in the milk and sugar ration for children.

- (b) The food situation was also very bad, a certain amount was obtained from IOTRIA at 180 lire per quintal, but the most could only be obtained from Cone 'B' areas, and transport was very expensive. Military transport could not be used in these areas. Transport by sea was also very expensive.

- (c) Coal - Recently the Yugoslavs had changed their attitude and had offered to sell coal to Allied Military Government. They had even asked for details of the vehicles they anticipated we would send for the coal, but Major TAMMOCK had received a ruling from 13 Corps that coal would not be purchased from the Yugoslavs. It was decided that the matter would immediately be put before Lt. Col. BICKERSTAFF on his return from ROE.

8. AGRICULTURE (Major SUMMERLAND) : -

- (a) Major SUMMERLAND stated that he was forming one Territorial Agricultural Office which would co-ordinate the three existing branches.
- (b) Italian civilians Officer status - To staff the new Office, Major SUMMERLAND had obtained a civilian specialist of Officer status from MILAN, but had been unable to find a billet for him. Living conditions for civilians on present pay being impossible, this individual resigned with regret and returned to MILAN. If this state of affairs continues it would become impossible for the Special Divisions of the Economics Section to function properly, as the work of the Divisions is so heavy and increasing to such an extent, that they would have to employ civilian specialists of Officer status. It was appreciated that there was a special civilian restaurant for all Allied Military Government employed civilians, but this did not solve the billeting question. Major TAMMOCK stated that they had the same difficulty in POLA.

9. FOOD (Capt. GALEY) : -

4991

- (a) Restaurants in TRIESTE - The unsatisfactory position regarding restaurants was discussed, and it was agreed that this matter should be investigated further.
- (b) Christmas - Requests had been made by various civilian institutes (for the blind etc.) for special Christmas allowances of food. These requests were being considered. 100 grams of soup per head per day had been arranged for civilians for December and 200 grams of dried vegetables

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- (b) Christmas - Requests had been made by various civilian institutes (for the blind etc.) for special Christmas allowances of food. These requests were being considered. 100 grams of soup per head per day had been arranged for civilians for December, and 200 grams of dried vegetables for the day before Christmas.
- (c) UDINE Province - Capt. OAKLEY had spoken with Capt. HALL the Food Officer at UDINE, with the result that Capt. HALL agreed to release a supply of meat to VENEZIA GUILLA on condition that an efficient policing of the boundary was established. At present Italian troops were policing the boundary unsatisfactorily.
- (d) Coffee - It was possible to get a big supply of coffee from PORTUGAL - it would involve 24 million lire. Major SUMMERLAND stated that until directives on foreign trade were received no action could be taken.

- 4 -

9. FOOD (Capt. CAULLEY) : - (Cont.)

- (e) Each week 15 tons of oranges and lemons were coming from SICILY. The price was 30 lire per chilo. It was also possible to obtain vegetables from SICILY, but the question of shipping space had to be solved with UGALLI.
- (f) It was stated that there was no check on the cargoes arriving in vessels registered in Zone 'B'.
- (g) It was also stated that 25 "Guardie di Finanza" were employed solely in checking the fish market, further control should be studied.

10. PRICE CONTROL (Major STMONDS) : -

- (a) Bakers were demanding that "baking cost" should be raised from 600 lire to 951 lire, and had threatened to go on strike if something were not done by the 27th of November. Major STMONDS stated that as finance would not raise the present subsidy, bread would have to be increased by 3 lire, and the matter was awaiting the SCAG's decision. Major TANNOCK stated that bakers in POLA were asking for 100 lire increase.
- (b) The new Price Control Order was nearing completion.
- (c) Major TANNOCK stated that the cost of transport increased prices in POLA considerably. Major LOCKWOOD-TATHAM asked for full details.

11. COMMERCE (Major STEPHENS) : -

- (a) Advanced information had been received from Commerce Sub-Commission MILAN
 - (1) That all demands for VITTELIA GIULIA be put through one source, namely Commerce Sub-Commission MILAN, who would distribute them to the appropriate authorities and see that we got the release orders.
 - (2) Same would apply for any products VITTELIA GIULIA wished to dispose of to ITALY.
- (b) Complaints have been received from local cement manufacturer re that Yugoslav cement was being passed through this territory, so far only a very small quantity had gone through. The trade was being watched to bring it into line with the programme for "compensation trade", and to ensure that the local industry did not suffer.
- (c) Major STEPHENS stated that he had attended a meeting of the "Consiglio Ricostruzione Economica" TRIESTE, and a paper had been read to him, proposing the formation of a "produce exchange"

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10. PRICE CONTROL (Major SIMONDS): -

- (a) Bakers were demanding that "baking cost" should be raised from 600 lire to 951 lire, and had threatened to go on strike if something were not done by the 27th of November. Major SYMONDS stated that as finance would not raise the present subsidy, bread would have to be increased by 5 lire, and the matter was awaiting the SCAO's decision. Major TANNOCK stated that bakers in POLA were asking for 100 lire increase.
- (b) The new Price Control Order was nearing completion.
- (c) Major TANNOCK stated that the cost of transport increased prices in POLA considerably. Major LOCKWOOD-TATHAM asked for full details.

11. COMMERCE (Major STEPHENS): -

- (a) Advanced information had been received from Commerce Sub-Commission MILAN
- (1) That all demands for VERIZIA GIULLIA be put through one source, namely Commerce Sub-Commission MILAN, who would distribute them to the appropriate authorities and see that we got the release orders.
- (2) Same would apply for any products VERIZIA GIULLIA wished to dispose of to ITALY.
- (b) Complaints have been received from local cement manufacturer re that Yugoslav cement was being passed through this territory, so far only a very small quantity had gone through. The trade was being watched to bring it into line with the programme for "compensation trade", and to ensure that the local industry did not suffer.
- (c) Major STEPHENS stated that he had attended a meeting of the "Consiglio Ricostruzione Economica" TRIESTE, and a paper had been read to him proposing the formation of a "produce exchange" in TRIESTE. He suggested to them that they should work out the theory on a practical basis.
- (d) Major TODDIN stated that there was an Industrial Trade paper being published in TRIESTE which might have useful information for the Commerce and Industrial Division.
- (e) It was decided to investigate the possibility of making utility furniture.

- 5 -

5. COMMERCE (Major SWENSON): - (Cont.)

- (f) Pre-fabricated houses - It was also suggested that the possibility of manufacturing these should be investigated. Major SWENSON, however, stated that he had already turned down a proposal for prefabricated houses, as:

- (1) They would be very expensive to produce unless on a very large scale,
- (2) Special machinery would be required,
- (3) All material at present was being used for repairing damaged houses.

He added that the housing situation would be considerably eased when repairs to houses had been completed.

Please acknowledge receipt of both reports on substitute AF A16 below.

By ORDER of Colonel A.C. BOGREN

[Signature]
4984
D.S. BICKERSTETH
Lt. Colonel,
Economics.

COPY No. 20

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
13 CORPS
ECONOMICS SECTION

SECRET

NOV 22 1945

Minutes of the Economics Section Meeting held on 10 Nov 45 at 0900 hrs.

PRESENT: - Lt. Col. BICKERSTETH

Major RICHARDSON
FODEN
SUTHERLAND
SYMONDS

Captain LARKER
HOLSTEN
COLLEMAN
OAKLEY

Lieut. BULLOWS
FARRINGTON

Mr. W. J. SULLIVAN

Economics

Industry
Public Works
Commerce
Agriculture
Price Control

Industry
Labour
Transportation
Food

Fuel
Finance

POLAD G.B.

1. WAR BOOTY COMMITTEE.

The Industry Sub Committee have to examine each claim separately and render a written report, to the War Booty Committee, on each claim.

2. MONTALCONE.

Allied Commission has recommended to AFHQ the reconstruction of shipyards among other suggestions for increasing employment at MONTALCONE. Conferences with both owners and labour leaders had taken place with a view to insuring cooperation of both sides in this matter.

3. RECONSTRUCTION FOR RE-EMPLOYMENT.

The latest scheme for building the industrial port of ZAULE was discussed. This project had been agreed by the Austrian Government in 1914, and by the Italian Government in 1928, but work on it had never been started. If it were built, it would mean that TRIESTE could go into competition with VENICE as a processing port.

Major FODEN was doubtful about the scheme, as there is no

785017

SUTHERLAND
SYMONDSCaptain MARKER
HOLSTEN
COLLEMAN
OAKLEY

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FARMIGNAgriculture
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FoodFuel
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Major FODEN was doubtful about the scheme, as there is no trade at present in the area to justify it and the guarantee from industrialists that they would use the port if it were built should first be obtained.

Lt. Col. BICKERSTETH stated that it was not to be expected that industrialists would sink capital in TRIESTE while the fate of the territory remained in doubt.

Major SUTHERLAND stated that if the land were levelled in preparation for the port, much more land could be brought into cultivation as a result.

(MISS SAMSON)

18.

- 2 -

3. RECONSTRUCTION FOR RE-EMPLOYMENT. (Cont.)

Lt.Col.BICKERSTETH stated that it must be fairly obvious that, whatever happens to TRIESTE, special arrangements will be made regarding the port, and anything to further its usefulness as a port for the Danube Basin should be encouraged.

It was finally decided that the first part of the scheme, i.e. levelling the land in preparation for the port, was a sound one both from the point of view of labour and agriculture. A more detailed discussion on the subject would be arranged later.

4. EDUCATION IN ECONOMIC TRADES.

This question was discussed. The Education Division, on authority from us, could arrange for adult education on these lines. Economics will support this programme, and liaison will be carried out by Capt.HOLSTEN. A meeting will be held on the 13th Nov to discuss the subject, at which Labour, Education and Industry will be present.

5. SERIAL CONTROL.

It was stated that SERIAL had asked for a special squad of police (not necessarily a branch of the civil police) to check on all rationed foodstuffs. The duties of these police would exceed those at the moment being done by Price Control.

6. AMC CIVILIAN EMPLOYEES - UNIFORM.

It was suggested that Allied Military Government civilian employees should be issued with uniform on repayment, and that those employed on executive duties and dressed in uniform should be permitted to ride in W.D. vehicles, unaccompanied by military personnel when on duty. It was agreed to submit this proposal to SCAO.

7. EXPANSION OF DIVISIONS.

Lt.Col.BICKERSTETH pointed out that Allied Military Government in the territory had already lasted longer than some had expected and that there was no immediate prospect of its coming to an end. As a result the pressure to increase our commitments as a more permanent undertaking, has become greater.

The situation in this territory was peculiar in that we had no central government to guide us, and had to formulate our own policy as distinct from that of ITALY, and had unlike the Allied Military Government in ITALY, no government organization which we could suitably strengthen to take over our work bit by bit.

The task of Divisions in Allied Military Government 13 Corps was not therefore one of resuscitating a government but of building up of

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The situation in this territory was peculiar in that ~~the~~ ^{we} had no central government to guide us, and had to formulate ~~500,000~~ ^{500,000} policy as distinct from that of ITALY, and had unlike the Allied Military Government in ITALY, no government organization which we could suitably strengthen to take over our work bit by bit.

The task of Divisions in Allied Military Government 13 Corps was not therefore one of resuscitating a government but of creating one from scratch. This would require the building up of agencies which could replace the function of the Ministries of Agriculture, Industry and Commerce etc. The military personnel for the eventual staffing of such an expansion could clearly not be counted on since officers were leaving at a rate which was hardly made up by replacements. It was clearly necessary to build a civilian organization over which the few officers available would have to exercise policy control only. The great difficulty lay in the fact that in most cases there were no satisfactory civilian organizations which could be expanded to fulfill these functions.

13
7. EXPANSION OF DIVISIONS. (Cont.)

It was for example agreed that the Chamber of Commerce and Commerce could not fulfill the function of the Ministry of Industry purely local interests, being too heavily committed to Allied Military Government "set up" in that direction could usefully draw many of its senior personnel from the employees of the Chamber of Commerce. The present "set up" and powerful position of the Chamber of Commerce incidentally came under severe criticism from Industry who stated that it was drawing large fees for doing little else than endorsing papers with rubber stamps. All were agreed that the situation as regard the Chamber of Commerce was unsatisfactory, and that it should be used in an advisory and not executive capacity.

Food Division stated that it was in process of building up a territorial office for food distribution which would in fact work like a Ministry of Food. Agriculture also was developing a similar expansion.

Labour were satisfied that the Ufficio del Lavoro was already fulfilling the functions of government under direction of the Labour Division likewise Public Works vis a vis the Genio Civile.

Lt.Col. BICKERSTETH said that he considered it inevitable that this expansion would need to continue and that in time it might be necessary for Divisions to break away from their present offices and set themselves up in their respective "Ministeri" controlling a much increased civilian staff. The political objections to this were obvious in that the personnel of the government in the junior ranks would tend to become more essentially Italian than was desirable. These comments were therefore recorded for submission to SOAO for his opinion.

8. TRADE WITH JUGOSLAVIA.

The Jugoslavs have now stated that they have more timber to spare. It has been agreed with them that there will be greater discipline on the passage of all trade between the areas.

9. WARRA SUPPLIES TO ZONE 'B'.

The Jugoslavs had been given permission to distribute ~~supplies~~ supplies in zone 'B'. This was against the terms of the agreement as understood in this HQ under which the Jugoslav Government should feed Zone 'B'. A signal had been despatched to AFHQ concerning the matter but no reply had as yet been received.

10. ILVA.

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10. ILVA.

It is intended to release for export to ITALY the iron at present held by ILVA subject to final approval by War Booty Committee Chairman.

- REPORTS FROM DIVISIONS. -

11. Public Works (Major FODEN): -

- (a) There is no news yet concerning the supply of coal for gas-making.
- (b) 30 x 6 ton Army lorries are to be loaned to Public Works.
- (c) Public Works approved any work relief project for unskilled labour.

12. Finance (Lt. FARRINGTON): -

There is at present a movement to establish a satisfactory circulation of currency in Zones A and B. The introduction of the Yugoslav occupational lire interferes with the plans of Allied Military Government 13 Corps Finance Division in this respect, and to counter this issue a new position has been created. In this respect A.L. lire is being issued to enable Allied Military Government 13 Corps to preserve present stocks of Metropolitan lire which is very much in demand by the Yugoslavs.

The circulation in normal times in VENEZIA GIULIA is approximately two and a half milliard, but it is considered that issue of one and a half milliard for Zone A will be sufficient. At the present time the amount of A.L. lire in circulation is 900,000,000 lire. This will be increased to one and a half milliard in a week's time.

The position of the present Yugoslav occupational lire is raising doubts in the mind of the residents in Zone B as no satisfactory backing is apparent. This is merely a report on the situation to date. The satisfactory and expected outcome of present policy is the foundation of an exchange equalization fund to settle all financial dealings between the two Zones, and thus have a means of control of trade settlements.

13. Labour (Capt. HOLSTEN): -

- (a) Capt. HOLSTEN considers that an increase of salary for Allied Military Government employees is imperative.
- (b) A scheme is under consideration to work factories in two shifts 0700-1300 and 1300-1900. Workers would thus work a six day, thirty-six hour week, as against the present 48 hour week. Under an old Italian custom, a worker is entitled to receive 75% of his pay for the hours under 48 per week which he does not work. Thus he would lose only three hours pay per week. On the other hand, the employer's payroll costs would decrease 25%, and this would provide opportunity for re-employing some of the workers who are at the moment suspended. The Labour leaders would approve the plan, and the employers would lose nothing.

14. Transportation (Capt. COLLIN): -

4985

- (a) Asked who pays for the handling of mail from this part to Jugoslavia, Lt. Col. BICKERSTETH stated he thought that Allied Military Government should carry it but finance must be consulted on the subject.
- (b) It has been decided that tyres should be blocked by official order. VENEZIA GIULIA will get its due allotment

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- (b) It has been decided that tyres should be blocked by official order. VENEZIA GIULIA will get its due allotment of tyres from north ITALY.
- (c) A meeting on the subject of tariff rates for the carrying of foodstuffs will be held next week. Public Works, Industry, Food, Price Control, and Transportation will attend.

15. Food (Capt. OALLEY): -

- (a) SERVAL has 25% option on wine imported by sea. But due to the miscellaneous array of types, it is impracticable to store and handle. Plan is to extend the 25% taken by SERVAL's of producing provinces, so as to provide 200 tons per month to VENEZIA GIULIA = 10 liters per man in 19-65 age group.

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15. Footnote OAKLEY: - (Cont.)

- (b) Control of imports and exports - The simple question of expanding customs office personnel so as to provide complete day and night control over exports and imports, interests all divisions.
- (c) More food in at good prices - There are two possibilities:
 (1) To assist and expedite expansion of SEERAL functions.
 (2) The same for Association of Importers (greater experience, more numerous contacts etc. over a longer period compared with newness of SEERAL).
- (d) Pastificio Triestino has two plans: -
 (1) To get into production of 120 qtls per day, 30 million lire are required to reconstruct drying sheds. Pastificio Triestino has 15 million, but would like to borrow 15 million from "Reconstruction Fund" which would be, if adopted here, an extension of the idea promulgated in Metropolitan ITALY by Ministerial Decree.
 (2) To produce 400 qtls/day, 100 million lire would be required.

Plan (1) is at present favoured by the Supply Division.

16. Fuel (Lt. BURROWS): -

- (a) It is hoped to start distribution of firewood to population in the next few days. It will have to be done by districts. The price of wood had not yet been decided, and it might be necessary to allow it to fluctuate. Price Control, Fuel, and Agriculture Divisions would discuss the matter together.
- (b) Petrol supplies are satisfactory.

17. Commerce (Major STEPHENS): -

- (a) GORIZIA Cotton Mill had been visited, and work was going very well. A large quantity of absorbent gauze and bandage had been blocked, but was apparently not being used. The matter would be discussed with Public Health.
- (b) Of the 1,000 bicycle tyres the mill required for its employees, only 30 had been received.
- (c) It was suggested that a liaison officer was necessary at MILAN, with another officer in ROME, but working from TRIESTE and spending alternative week-ends in TRIESTE so as to attend this and the SCAO's conference on alternative weeks.
- (d) The Chamber of Commerce charges need much more investigation.
- (e) It was hoped to obtain uniform for people employed on public utility services, trams, etc.
- (f) 200 tons of caustic soda, and 100 tons of sulphur oil for making soap were expected to arrive from the Italian Government this month, but there could be no distribution of soap from this production before January.
- (g) 50,000 blankets had been asked for.
- (h) Shunting-tractors were required for the part and the models seen in TURIN were not satisfactory.

18. Industry (Major RICHARDSON): -

- (a) No news of the financing of reconstruction of industrial plants.

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million from "Reconstruction Fund" which would be, if adopted here, an extension of the idea promulgated in Metropolitan ITALY by Ministerial Decree.

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- (h) Shunting-tractors were required for the port and the models seen in TURIN were not satisfactory.

18. Industry (Major RICHARDSON): -

- (a) No news of the financing of reconstruction of industrial plants.
- (b) There is too much juvenile labour being used in our works projects.
- (c) Zone B workers are being employed at FOLA. Zone A unemployed should be used instead.
- (d) Autotrasporti rates are still far too high in opinion of Industry and Public Works.

Lt. Col. RICHARDSON stated that the new rates should be subject to examination with a view to making further reductions.

Please acknowledge receipt of this report on substitute AF A16 attached.

By ORDER of Colonel A.C. BOMAN

[Signature]
D.S. RICKERSTETH
Lt. Col.
Economics.

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
13 GCKPS
ECONOMIC SECTION

Copy No. 20

NOV 14 1945

Minutes of Economic Section Meeting held on Nov 3rd 1945 at 0900 hrs

Present : Lt.Col BICKERSTETH

Major. FOLEY

Major. RICHARDSON

Major. SIMPSON

Major. LOCKWOOD - TATHAM

Capt. FOLEY

Capt. WALKER

Capt. CAMPBELL

Capt. HOLMES

Lieut. JACOBSON

Lieut. BURROWS

Lieut. FARRISON

Major. TANNOCK

Mr. SULLIVAN

Economics
Public Works
Industry
Commerce
Transportation
Industry
Agriculture
Labour
Price Control
Fuel
Finance
Supplies Offr POLA
GB POLAD

1. Request for Reports. Lt.Col. BICKERSTETH stated that the following reports were required from departments :-

Hemp and Constructional Timber. Report on present position.

Fuel. Report on stump-lifting.

Pine wood from Austria. Position examined and reported on.

ILVA Production programme and further information required.

Cost of Living. Written statement on cost of living index required.

GORIZIA MILL. Report required, and check on production.

In reply to questions on this subject it was stated that there was no objection to old material from this mill going to UDINE Province, under old contracts, but on no account must new stuff leave this area.

There will be a flow of cotton to the GORIZIA Mill of 2500 bales per month from the first of January 1946. This will be equal to the Mill's maximum production. There is some anxiety about the immediate provision of further supplies but this has been taken up with ROME and MILAN. There is nothing further concerning cotton to come from Egypt, and it is unlikely that there will be as we are getting all the cotton we require.

Captured Enemy Vehicles. Report required on the purchase of these vehicles by private firms in this area. Major LOCKWOOD - TATHAM stated that vehicles sold in Italy were sold by the Italian Government, and there was no objection to local traders going to Italy to purchase them. Lt.Col BICKERSTETH stated that opportunity should be made for local traders to purchase such vehicles more easily

Transportation Rates. Lt.Col BICKERSTETH asked if any further progress on this matter had been made. Major LOCKWOOD - TATHAM replied that new rates were being instituted in Italy which would show some reduction, he also intended to make a further cut rate for special AMG jobs. It was agreed to raise the matter at next weeks meeting when the subject would be dealt with at length.

Price Control

Fuel

Finance

Supplies Offr POLA

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Lieut. BULLOWS

Lieut. FARRINGTON

Major. TANNOCK

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2. Ship Repairs. Lt.Col. BICKERSTETH stated that he had seen Mr. SMITH and that he was taking up in LONDON the matter of the cost of ship repairing in the area. Mr. SMITH had promised to do his best to get more work for the yards.

3. Salvage of Ships. In many cases ships salvaged were only of use for breaking up, and the only justification for their salvage was that it kept up employment. This question of employment however is so important some ships will undoubtedly have to be salvaged.

4. Draft Order on Imports and Exports from this area. Colonel BOWMAN feels restriction on imports, requires further consideration. The Meeting agreed that the Order should apply only to Exports.

(MISS SAMSON)

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5. Coal. A few of documents concerning coal have been mislaid. All departments will institute a thorough search for this file.
 6. New Officers. Lt.Col.BICKERSTETH asked that all new officers coming into the Section be brought to see him as soon as possible after arrival.
 7. Communication with Yugoslav authorities. Communications with Yugoslav authorities must be made only through HQ, AMG, 13 Corps, otherwise serious repercussions might arise.
 8. Bicycle Tyres. 1000 were required by GORIZIA Mill, as a large number of their employees came from outlying villages, and bicycles were their only means of transportation. Commerce was asked to investigate this demand.
 9. Potatoes. Translation of Memorandum from "Ufficio Prezzi" was read. Lieut JACOBS here stated that yesterday, in the local markets, medium grade potatoes were being sold at 51 lire per kilo, but that today there were no potatoes at all for sale.

REPORTS FROM DIVISIONS

10. Industry. (Major RICHARDSON). It was stated that on the 2 Nov Lt Col BEARD held a meeting of the local Industrialists.
 - (a) Finance Laws. In regard to reconstruction of factories in this area would be roughly the same as in Italy.
 - (b) Claims against Italian Government. If any industries in this area have claims against the Italian Government for work done, Finance are prepared to advance up to 100% if the Industry is working for us, and up to 50% if not.
 - (c) Dry Dock Monfalcone. Will be a long term plan, and would take several years to complete.
 - (d) Jugoslav War Booty. The deadline date for claims was 23rd Oct 45.
 - (e) Chamber of Commerce. Industry is not satisfied that this is working correctly. Lt.Col BICKERSTETH stated that Commerce would make an examination of Chamber of Commerce operations.
 - (f) ILVA By-Products. Ilva will have a large amount of by-products in the near future (e.g. Tar, Benzine). It is estimated that Benzine alone will amount to 12,000 litre per month. Lt.Col.BICKERSTETH stated that Industry must supply list of these By-products, and Commerce must deal with their disposal. 498!
 - (g) Import and Export by Sea. Control does not seem firm enough. Yugoslavs are able with the assistance of disreputable merchants to sell their goods at very high prices, and AMG have no control of the funds. Lt.Col.BICKERSTETH stated that two ships carrying salt had recently been impounded, and apparently there was some control. Major LOCKWOOD TATHAM would see the port authorities and it must be ensured that every ship leaving or entering the port must have the correct authority no matter how small the ship or how short the voyage.

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(h) Transport. Trucks were not being hired because of the high prices for hiring. The average truck was 2000lire per day per man whereas the man employed on that truck was paid only 170 lire per day, this was out of all proportion. Major LOCKWOOD-TATHAM stated that most trucks have to be empty when leaving this area. This was apt to force up costs for hire, but in any case the new hiring prices were as much as 20% less than the rates laid down in A.C.O. 42. He also stated that some trucks were lying idle because owners were trying to force up prices, but as far as the truck pool is concerned every vehicle which will move is being used. Lt Col BICKERSTETH stated that obstructionists must be forced out, and their trucks added to the pool.

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11. Finance (Lieut Farrimon). Lieut Farrimon stated that, owing to the exceptional position of end of month demands, he preferred to hold over until next week his statement on Money in Circulation.

12. Public Works (Major Foden).

(a) Release of Coal. Certain GORIZIA firms were illegitimately applying for and receiving release of coal Fuel must watch very closely.

(b) POL situation had not been satisfactory, but it is expected that under the new system coming into force this month the position will improve.

13. POLA (Major Tanneck). The police had discovered two Yugoslav Autotransporti Service, vehicles operating in POLA without licences, and these had been impounded while prosecution proceedings were arranged. It was felt certain that the first vehicle to cross the border of Zone B would be impounded by the Yugoslavs in retaliation. What was the position? Major LOCKWOOD-TATHAM stated that under present arrangements no Autotransporti vehicle was allowed to go out of POLA in any case, so the question would not arise. It was agreed that this was a Civil Affairs matter and that the matter be referred to them.

14. POL (Lieut BURROWS)

(a) Prices for coal from Zone B needed investigation. This is a matter for the Joint Economic Committee.

(b) Firewood. The price in UDINE province was only 50% of that being paid across the MORGAN LINE. For the firewood in the forest we are being asked to pay more than the consumer pays in the town of FIUME.

(c) New System POL comes into force from the beginning of November. Lieut BURROWS was instructed to cover requirements bearing in mind that departments show a tendency to underestimate.

(d) Coal. The coal situation generally is very much brighter. We received 6000 tons in October for essential needs of Industry, and it is expected that this will be a monthly allotment in future.

4980

15. TRANSPORTATION (Major LOCKWOOD-TATHAM)

Jugoslav Currency. Omnibuses running between Zone A and Zone B were being compelled to accept Yugoslav Currency - what was the position? Lt.Col. BICKERSTETH stated that it is not legal currency in Zone A and cannot be spent here. Lieut FARRIMON stated that persons in Zone A who are in possession of JUGOSLAV CURRENCY are liable for prosecution. It is understood that Lt.Col HEARD is seeking a satisfactory solution to this problem.

16. Price Control. (Lieut JACOBS)

Civil Price Control. Recommendations from this body are being considered. It is stated that we have a

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16. Price Control. (Lieut JACOBS)

Civil Price Control. Recommendations from this body are being severely cut about by AMG. Lt.Col. BICKERSTETH stated that we have a right to interfere, but must only do so in exceptional cases. Far more reliance should be put on the Civil Price Control Board.

17. LABOUR (Capt. HOLSTEN)

(a) Unemployment. Out of a normally employable 70,000 (approx) people 28374 were registered as unemployed. In October, 14885 were added to the list and 5827 removed from the list. Dole was only available to those dismissed from unemployment after March of this year, and the number receiving dole was 7142. The whole plan must be reviewed and improved.

(b) Cost of Living for July was 8200 lire (1800 calories). The average worker received 240 lire per day against a cost of living at 475 lire per day. There had been only one adjustment of wages since

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we arrived, and that had been based on rates agreed upon in MILAN some months previously. Industrial Leaders are agreed to making a parity with MILAN and North Italy. Lt Col BICKERSTETH stated that this was alright, but there was a real danger of inflation if the wage rates were increased without an equivalent increase in the quantity of consumer goods available.

ACK on substitute AF.A16 below.

By ORDER of Colonel BOWMAN:

J.H. FARRER,
Capt, R.A.,
Staff Officer.

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HEADQUARTERS
ALLIED MILITARY GOVERNMENT
13 CORPS
ECONOMIC SECTION

29 September 1945.

Minutes of the Economic Section Meeting held on 29 Sep 45 at 0900 hrs. ACTION.

PRESENT :	Lt Col BICKERSTETH	Economics
	PRINCE	Commerce
	BULLOCK	Public Relations.
Major	DAVIS P.H.	Price Control
	CUM INCHALL	Finance
	SUTHERLAND	Agriculture
	ALLRIGHT	Labour
	WODEN	Public Works
	DUNCAN	Commerce
	BRADBURY	Industry
Capt	LANIER	Industry
	COLLEMAN	Transportation
	Lieut WOODWISS.	Supply.

The outstanding points of the minutes of the last meeting were discussed. Lt Col BICKERSTETH stated that it would be necessary for all heads of Divisions to continue attending the SCAG's meetings on Mondays.

1. RENTS.

This matter was still under review by representatives of Finance, Labour and Economic Sections. S.O.L

2. TAXATION.

Finance stated that they desired to raise the minimum figure for Income Tax from 6,000 to 10,000 lire and would make recommendations accordingly. Fin.

3. CIVILIAN SUPPLIES.

Lt Col BICKERSTETH read two signals to the meeting in which it was stated that civilian supplies for A.S. VANDERBILT would remain a military responsibility, and that AFHQ would continue to be responsible for supplies in this territory. The essential point for all members at the meeting was that the monthly requirements of Civilian Supplies for the six month period beginning 1 Jan 46 had to be submitted through HQ Allied Commission to AFHQ by 12th Oct 45. This would necessitate a great deal of work for all Departments concerned. Lt Col BICKERSTETH told all Divisions that it would be extremely difficult to

All.
Divs.

SUTHERLAND Agriculture
 ALBRIGHT Labour
 WODEN Public Works
 DUNCAN Commerce
 BRADBURY Industry
 CAPT. LARSEN Industry
 COLLIER Transportation
 LIEUT. WOODWISS Supply.

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Finance stated that they desired to raise the minimum figure for Income Tax from 6,000 to 10,000 lire and would make recommendations accordingly. Fin.

3. CIVILIAN SUPPLIES.

It Col. BICKFORTH read two signals to the meeting in which it was stated that civilian supplies to the ALLIES would remain a military responsibility, and that ALLIES would continue to be responsible for supplies in this territory. The essential point for all members at the meeting was that the monthly requirements of Civilian Supplies for the six month period beginning 1 Jan 46 had to be submitted through the Allied Commission to ALLIES by 12th Oct 45. This would necessitate a great deal of work for all Departments concerned. It Col. BICKFORTH told all Divisions that all demands must be made not as it would be extremely difficult to obtain further supplies against supplementary demands made at a later date. The supplementary demand machinery is complicated and demands are only met in exceptional cases. All Divs.

It was also necessary, he stated, that the Advisory Economic Council should meet not later than Wednesday 3rd Oct. in order to collect data as to supplies that would be required. S.O.1.

4. STAFF.

S.O.1 stated that Col. WISKE was coming to ALLIES on Monday 1st Oct to discuss the question of staff establishments. See my 60

(Copy forward to Gen. Sec.)
 10 Oct 45

ACTION.

The shortage of personnel in the Economics Section was seriously hampering its work and requests had been made for release of Officers and E/O's from the North Italian Regions for assignments in Umbria and Emilia.

5. DUTIES OF ECONOMIC SECTION.

Lt Col BIGNARDI asked the meeting if they were satisfied with the definitions of the work to be carried out by each Division. Amendments were put forward by Industry and Finance, these alterations were to be put in writing and for action by the Divs concerned to S.O.1.

6. PUBLIC WORKS SCHEMES.

S.O.1 stated that Economic Section was being pressed to get schemes going for Public Works and agricultural land reclamation. Finance must give all assistance possible where unimpeded, but for some schemes it would be necessary to have approval of ARMI.

Public Works then stated that a number of schemes were under way, but the difficulty was lack of materials which resulted in many bottlenecks.

Industry stated that some schemes were being hampered by lack of funds, enthusiasm, and inefficiency of local Industrialists and specifically mentioned the firm of CANTIERI RIUNITI. Major GRADURY recommended to the meeting that the management of this firm be called in and told they must make a more enthusiastic effort and reorganise their management which at the present time was "too heavy". If an improvement was not brought about then the management would have to be changed. Industry stated that he was having a meeting with CANTIERI RIUNITI that afternoon and would discuss the matter with them. S.O.1 stated that a sub-committee would be formed consisting of Industry, Labour, Finance, Public Works and Economics to investigate the whole question.

Ind.
Labour.
Fin.
P.W.S.
ECON.

7. TRANSPORTATION.

Colt CLEGG stated that 50 vehicles were not being used at present and a discussion developed on the stock rates over those authorised which were being demanded, and which were having a detrimental effect on road transport used. S.O.1 said that he would investigate into that penalties could be inflicted on offenders.

S.O.1

8. SUPPLIES TO ARTIGIANI.

Lt Col WICKHAMSTON brought up the question of the availability of scrap metal for Artigiani as it was felt that this metal was likely to be given to the larger firms.

Commerce stated that when scrap was available it could be frozen and Artigiani would be given a portion of supplies by the

Commerce

6. PUBLIC WORKS SCHEMES.

3.0.1 stated that Economic Section was being pressed to get schemes going for Public Works and agricultural land reclamation. Finance must give all assistance possible where unopposed, but for some schemes it would be necessary to have approval of ARB.

Public Works then stated that a number of schemes were under way, but the difficulty was lack of materials which resulted in many bottlenecks.

Industry stated that some schemes were being hampered by lack of funds, enthusiasm, and inefficiency of local Industrialists and specifically mentioned the firm of CANTILLI RUMITTI. Major BRADBURY recommended to the meeting that the management of this firm be called in and told they must make a more enthusiastic effort and reorganise their management which at the present time was 'too heavy'. If an improvement was not brought about then the management would have to be changed. Industry stated that he was having a meeting with CANTILLI RUMITTI that afternoon and would discuss the matter with them. 3.0.1 stated that a sub-committee would be formed consisting of Industry, Labour, Finance, Public Works and Economics to investigate the whole question.

Ind.
Labour.
Fin.
P.W.S.
Econ.

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3.0.1

8. SUPPLIES TO ARTISANS.

Lt Col BICKERSTETH brought up the question of the availability of cheap metal for Artisans as it was felt that this metal was likely to be given to the larger firms.

Commerce stated that when scrap was available it could be frozen and Artisans would be given a portion of supplies by the Chamber of Commerce.

Commerce

9. DOCTORS' FEES.

Labour complained that doctors' fees had been increased without consultation or reference to Labour Division. Lt Col BICKERSTETH stated that there should be no increase in Doctors' and Dentists' fees without authority from Economic Section ARB. The cases in question was quite unimportant however and concerned fees for a particular referee consultation involving only 2 or 3 doctors.

Labour

10. TRISTE CREDITS IN U.K. AND U.S.A.

Lt Col BICKERSTETH asked Finance if they could find out any news in respect to the position of credits held by Trieste in UK & USA.

ACTION.

Fin.

11. WAR MATERIAL DISPOSAL.

S.O.1 stated that at present war material disposal was being handled by Army but if handed over to A.G. it could be a matter for Commerce Division.

Commerce

12. REPAIR TO RAILWAY LINE NORTH OF CORNEL.

Lt Col BICKERSTETH desired to know if any information was available re repairing the line north of CORNEL. Public works stated that the line was of no interest to the military and that the military engineers did not propose doing anything about it. It was suggested by military that the work might be done by A.G. Public works. It was decided that the matter would be investigated by Lttn, Pub. works and Finance.

Lttn
Pub. Wks.
Fin.13. AREA SUPPLY OFFICERS.

It was proposed by Lt Col BICKERSTETH and agreed to by the meeting that Area Supply Officers should be invited to attend Economic Section meetings on Saturday mornings.

14. POLICE.

The lack of a Police Force in A.G. VENEZIA caused the enforcement of all Orders and Controls hopeless. The work of all divisions in the Economic Section was seriously handicapped without the means of effective control.

This Section views with great dissatisfaction the delay in forming the Police Force which renders it impossible to put into effect any proper controls.

15. RATION EXPERT.

Lt Col BICKERSTETH suggested that a Rationing expert should be brought to this territory from England in order to give expert advice on such matters as clothes rationing and food rationing on a points system, in order to combat inflation.

RECORDS IN DIVISIONS.

16. COMMERCE (ECONOMIC SECTION).

(a) WIREWOOD. Commerce stated that the Wirewood authority obtained in Rome had refused to export Wirewood.

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It Col. PICHAYITH desired to know if any information was available re repairing the line north of BUKIA. Public works stated that the line was of no interest to the Military and that the Military engineers did not propose doing anything about it. It was suggested by Military that the work might be done by Public Works. It was decided that the matter would be investigated by Ptn, Pub. orks and Finance.

Tptn
Pub. Wks.
Fin.

13. AREA AND OFFICIALS.

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RECOMMENDATIONS.

16. COAL.

(a) Puerto Rico. Commerce stated that the Yugoslav authorities in Puerto Rico had refused to export firewood from Puerto Rico. The arrangements were being made through the agency of UNICEF COOPERATIVE. The question of price, rate, etc. remains to be discussed.

(b) Trinidad. Arrangements have also been made for the shipment of 2,000 quintals of Charcoal from Italy and the first consignment is expected next week.

(c) Coal. Arrangements have been made to obtain 5,000 tons of coal from ARBA, Tptn is being arranged by the 15. Coal.

785017

ACTION

(d) Tobacco. Seven million cigarettes have just arrived in TRIESTE, unloading was delayed due to the strike.

An answer is awaited from the Jugoslavs in respect to raw materials for the monopoly which should be given at the next meeting of the Joint Economic Committee.

(e) Hemp. No news of the release of hemp to this territory has been received although the release order is said to be in the post.

(f) Timber. The application for two sawmills to be allocated to VENEZIA GIULIA have not yet been approved. UDINE Province are reluctant to release them.

(g) Captured Enemy materials. One hundred thousand metres of Art Silk lanning have been made available to AMG by 13 Corps, it is being issued to tailors, etc., through the Chamber of Commerce.

17. AGRICULTURE. (Major CUTHBERTSON)

The Agricultural Officer stated that a Forestry expert was coming from ROIE to give us technical advice and help.

It was desired that an Agricultural member, representing Agriculture, Forestry and Fisheries, to be added to the Economic Council.

A General Order was awaiting publication for the control of the Fishery Industry. However the success of this order depends on Police Control.

18. TRANSPORTATION (Capt. COLEMAN).

(a) Rail Transportation. A new form for rail transportation was being produced whereby bidders for rail tpn would be given a specific date and hours for loading.

(b) Tyres. An allotment of 90 Tyres had been received against a bid for 973. Distribution would be made as fairly as possible.

(c) Civilian Trucks. The question of payment of Civilian trucks used for dock clearance was raised and whether AMG was to pay for these out of their funds. The Food Officer stated that where civilian transport was used the cost would have to be borne by SMILL or other purchaser and would have to be included in the cost of the article.

Food
tpn.

(f) Timber. The application for two sawmills to be allocated to VENEZIA GIULIA have not yet been approved. UDINE Province are reluctant to release them.

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Food
Tpnn.
Finance.

(d) Autotransport. Reforms were being initiated in this organization and it was hoped to eliminate much of the illegal freight charges at present being obtained. The proper rates would be made known by means of newspapers and posters all over the town.

(e) Autobus Services. These were being hampered due to lack of tyres.

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19. PUBLIC WORKS. (Major Foodstuffs).

ACTION.

(a) Housing Decree. Since the publication of the Housing Decree the necessities of the Order have come to light namely the absence of landlords and also the omission from the General Order of the limitation interest charges made by the banks on loans. Finance was instructed to investigate this matter.

(b) Bomb Disposal Squad accident. An unfortunate accident had occurred killing 16 Italians of the Bomb Disposal Squad. It was hoped this would not have an adverse effect on the enthusiasm of this squad. A public funeral was being arranged and all expenses were being paid from public fund.

(c) Transfer of workers. Public works started if there was a possibility of them being any opposition from the Trade Unions as a result of transferring workers from one trade to another. Labour replied that the difficulties were caused by the Trade Unions in the first instance.

20. FINANCE. (Major Foodstuffs).

War Boot Commission.

The Jugoslavs were claiming as War Boot all state and para-state accounts, stocks of raw and manufactured tobacco and property of Fascist Institutions. As they stood at 2nd May 45 and have requested right to examine records of Banca d'Italia, all Commercial Banks Insurance Companies and Intendances di Finanza.

21. FOOD (Lt FOODSTUFFS).

(a) Salt. Food Sub-Commission have made a bid for October shipment of 500 tons of salt for cattle, hog curing and industrial uses. Agriculture asked when this was likely to arrive and the reply was probably not until middle November. Agriculture further stated that this salt was needed urgently now for hog slaughtering. S.O.1 suggested that Tptn and Food should get together in order to endeavour to obtain transport from C.O.F.M. to get salt from CERVA, MARITIME. 497. DI BAVIA, or SICILY.

Food Tptn.

(b) Egg Powder. Egg Powder was being issued in lieu of meat but the price was high and hospitals, public agents etc. could not afford to purchase it on their present allowances for food purchasing.

785017

- (c) Transfer of orders. Public Works noted if there was responsibility of there being any opposition from the Trade Unions as a result of transferring workers from one trade to another. Labour replied that the list was used by the Trade Unions in the first instance.

20. FINANCE. (Major CHAMBERLAIN).

War Booty Commission.

The Jugoslavs were claiming as War Booty all state and para-state accounts, stocks of raw materials, tobacco and property of Fascist Institutions, as they stood at 2nd May 45 and have requested right to examine records of Banca d'Italia, all Commercial Banks, Insurance Companies and Intendances in Finance.

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Food
Tptn.

497

- (b) Bag Powder. Bag Powder was being issued in lieu of meat but the price was high and hospitals, public agents etc. could not afford to purchase it on their present allowances for food purchasing. Finance suggested getting in touch with Chief Public Health Officer in order to revise Finance budgets of hospitals etc.

- (c) Food Prices. The high cost of food anticipated to arrive at approx. 450 lire per quintal was likely to effect the cost of bread and could either mean an increased subsidy by A.G. or an increase in price of bread. Public Works suggested that if gas was made available, that it might be possible for the bakeries to use Coke. Food said they would investigate the matter.

ACTION.

- (d) Sugar for Jan - ending. A request had been made to Food Sub-Commission for an allocation of 330 tons of sugar in order to make 600 tons of jam. Fruit pulp was available locally. Cost of jam would be approx. 60 lines per kilo ex-factory.

22. PRICE CONTROL. (Major P.H. LAVIS).

Further progress has been made in the forming of the civilian organization for price fixing and a paper on the whole subject is now ready for examination by Finance and Area Commissioners prior to submission to the 3.6.40.

Several prices have been fixed for specific food commodities of yeast, biscuits and butter, and summaries include cement, frosted glass, calcium carbide, washing soap and specific types of timber.

It has been decided not to increase the 10% tariffs for electrical production in Venezuela until further examination of the problem is made.

The proposed increases in prices for cinema seats are also under consideration.

D.S. BICKERSTETH,
Lieut. Colonel,
Economics.

NOTE: It is requested that all divisions in the Economic Section will bring to the meeting a short written report on their activities for the week and any outstanding matters they wish to discuss at the meeting.

DISTRIBUTION: SCAD
DSCAR
One to each Officer present.
File.

types of timber.

It has been decided not to increase the TARIFFS tariffs for electrical production in WASH. until further examination of the problem is made.

The proposed increases in prices for pine, spruce are also under consideration.

D.S. BUCKENSTEIN,
Lieut. Colonel,
Economics.

NOTE: It is requested that all Divisions in the Economic Section will bring to the meeting a short written report on their activities for the week and any outstanding matters they wish to discuss at the meeting.

DISTRIBUTION: SCMO

DSCAO

One to each Officer present.

File.

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HEADQUARTERS
ALLIED MILITARY GOVERNMENT
15 CORPS

22 September 1945.

ACTION.

Minutes of the Economic Section meeting held on 22 Sep 45 at 0900 hrs.

OCT -4 1945

PRESENT: Lt Col RICHMONDS
HUNCE
PULLACK
RODNEY
MAJOR
LADDER
SUTHERLAND
WATSON
CUMMINGS
DAVIS
Mr. C. S. O'NEILL

Economics
Commerce
Public Relations
Public Works
Supply
Agriculture
Immigration
Finance
Price Control
A.I.S.

Industry and Labour were not represented; some involved in the
Monetary situation.

1. Minutes of previous meeting were circulated and approved.

2. It was proposed that Lt Col RICHMONDS should represent all
Divisions of the Economic Section at S.C.A.O.'s Monetary Committee. S.C.I.
agreed to take up matter with S.C.A.O. and Army Divisions.

S.C.I.

3. DEBTS.

• Lt Col RICHMONDS read ex parte of minutes submitted by Legal
Division regarding the position of property owners. It was agreed this
matter be discussed by a committee consisting of representatives of Finance,
Labour and Economic Section.

S.C.I.

4. TAXATION.

Lt Col RICHMONDS said that matter of taxation on incomes
had been raised by Government. Present law called for income tax
on all incomes exceeding 5,000 lire. Although wages had been increased
by several times, as adjustment had been made in the level of which income
tax begins, so that virtually every single wage earner is liable to income
tax. Major CUMMINGS (Finance) stated that the matter of taxation was
now under investigation and that a report would be ready in approx one
month's time.

Finance

5. ECONOMIC ADVISORY COUNCIL.

497

S.C.I. explained receipt of this letter started in July, and had
been left to them owing to difficulty in securing clear ruling on the
new materials situation. It was stated that in spite of it
had not started.

Supply
Administration
Management
Finance
Price Control
A.I.S.
Mr. O'NEILL
DAVIS
CLARK
SUMNER
BROOKS

Industry and Labour were not represented, being involved in the
Lombard's situation.

1. Minutes of previous meeting were circulated and approved.

2. It was proposed that Dr. Col. HIGGINS should represent all
Divisions of the Economic Section at S.A.A.O's Monday Conference. S.O.I
agreed to take up matter with S.O.A.C. and inform Divisions.

3. P.E.S.

• Dr. Col. HIGGINS read extracts of minute submitted by Legal
Division regarding the position of property owners. It was agreed this
matter be discussed by a committee consisting of representatives of Finance,
Labour and Economic Section.

4. TAXATION

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had been raised by Economic Section. Present law called for income tax
on all incomes exceeding 5,000 lvs. Although wages had been increased
by several times, the level in the level of which income
tax begins, so that virtually every small wage earner is liable to income
tax. Major CLARK (Finance) stated that the matter of taxation was
now under investigation and that a report would be ready in approx one
month's time.

5. ECO. AND ADVISORY COUNCIL.

497

S.O.I explained reasons why this matter started in July, and had
been left to lapse owing to difficulty in obtaining clear ruling on the
raw materials situation. He then stated that in spite of the
difficulties Corvick Area felt that the meetings should be started. At that
BULLOCK stated that in view of S.A.A.O's promise to consider schemes for
absorbing unemployed, he was with a candidate could do good work in
screening these suggestions. After some discussion it was agreed to pro-
ceed with the setting up of this council though it was agreed that this
should be on a somewhat broader basis than originally proposed so as to
include Agricultural and Airman elements.

6. SUPPLY POSITION

S.O.I again emphasized the serious supply position and the ruling
G-2 had given him on the matter with to CASUALTY. He said there was no
machinery available by which the needs of VETERANS could be considered

7. FOR

Major General (A. Mielke) said that the Division wished to make itself clear as to its responsibilities in regard to timber and firewood.

It was noted that Agriculture Division was responsible for Production, Control of forests, cutting, etc. as far as the transport pick up point; thereafter it becomes the responsibility of Commerce. All contracts for firewood production were to be agreed by Agriculture Division and Major General Mielke stated that a directive had been issued accordingly. S.O. 1 explained a unit of meeting at 10 Corps HQ and how it had been agreed that all firewood from BRESOVICZ forest would be cut by arrangement of 10th Province and collected under S & T 1 Corps arrangement. The distribution of this firewood would be made at between Army & Air by agreement with S & T who would control it in their own dumps. The needs of Berlin area would be considered in allocation of firewood available. In Col RINKEL stated that without the supply from across the border which had been under discussion by the Railway Economic Committee so far without result, there was no prospect of sufficient fuel for the winter.

B. PUBLIC RELATIONS.

In Col RINKEL stated that people wanted to know what and where they were going to eat.

There is required on all plane creating work which would provide wages. Details required by Public Relations were as follows:

- (a) When the work would be
- (b) When it would begin.
- (c) How much would be spent in wages.
- (d) Type of labour to be used.
- (e) How long project will last.
- (f) How much employment will be reached.

S.O. 2 also mentioned need for giving Public Relations every assistance and to be advised that various logistic situations which would need all the help from S & T in explaining to the Public.

9. RECOMMENDATIONS.

(a) S. Mielke.

Major Mielke stated that his staff difficulties were such that he could no longer expect his Division to work without these men.

(b) RINKEL.

A list of priority demands according to classes of vehicles has now been forwarded to that of RINKEL.

(c) RINKEL ON ROAD REPAIRS.

List has been distributed to all Divisions of Economic

Public
Works
Agric.
Industry

785

Public
Works
Agencies
Industry

across the country and which had been under discussion by the Highway Economic Committee so far without result, there was no prospect of sufficient fuel for the winter.

8. PUBLIC RELATIONS.

It was pointed out that people wanted to know what and where they were going to get.

How to proceed on all plans creating work which would provide wages. Details required by Public Relations were as follows:

- (a) How the work would be done.
- (b) How the work would begin.
- (c) How much work would be done in wages.
- (d) How the work would be used.
- (e) How the work would be used.
- (f) How the work would be used.
- (g) How the work would be used.

S.O. 1 unit is represented and for giving Public Relations every assistance and which determined the serious economic situation which would need all the help possible in explaining to the Public.

9. TRANSPORTATION.

(a) BUSES.

Mr. Larkin stated that his staff difficulties were such that he could no longer expect his division to work without breakdown.

(b) TRUCKS.

A list of primary demands according to classes of vehicles has been forwarded to that of U.S. 1.

(c) RATES OF ROAD TRANSPORT.

List has been distributed to all Divisions of Economic Section.

(d) RAILROADS.

Mr. Larkin reported a great increase in demand for moving materials and from time to time.

ACTION.

(a) MINING PERMITS

Major SUMMERS asked if any directive could be given on the number of permits for agriculture. Lt Col PRINCE stated that the number of permits was controlled by the quantity of R.O.L. available and that 50% more P.O.L. had been requested for Oct than was allowed for Sep. Lt Col SUMMERS said that this was resulting in people selling vehicles from this area.

(c) MINING PERMITS

This is continuing but until the Police force is in shape to check on such things little can be done to remedy the situation.

10. FINANCE(a) 20th OCT OCCUPATION REPT.

Major G. SUMMERS reported that the Jugo-slavs were issuing occupation line in 20th B. Note so far had come to hand.

(b) MONITORING SERVICES

There have been changes to AM 13 Corps as rates which include company profiles. This matter has been taken up with Bureau's Section Allied Commission.

(c) FINANCIAL FOOD

Some complaints of a lack of funds to meet food purchases has been reported from MONTELLA. This was investigated by Major SUMMERS said all arrangements had been made for the necessary credits to be available to both wholesalers and retailers. Major SUMMERS said he had heard rumors of Communist forces preventing Jugo-slav Commerce from getting supplies. Major SUMMERS was asked to investigate.

11. COMMERCE(a) COMMERCE

Some deliveries from USINE expected next two days.

(b) COMMERCE

Major SUMMERS, regarding allocation of coal, stated that 2,000 tons for North considered adequate by Coal Commission. Coal Commission was not sufficient and that 4,000 would be required. Coal Commission have been informed, also of demand for 2,000 tons for MONTELLA and POLA combined.

497

10. FINANCE.

(a) ARMED AND DANGEROUS.

Major C. J. B. reported that the Jugoslavs were issuing occupation lire in Zone B. Most so far had come to hand.

(b) MONOPOLY SELLERS.

These have been changed to AFB 13 Corps at rates which include monopoly profits. This matter has been taken up with Economic Section Allied Commission.

(c) FINANCIAL POLICY.

Some complaints of a lack of funds to meet food purchases have been reported from BELGRADE. This was investigated by Major B. J. B. said all arrangements had been made for the necessary credits to be available to both wholesalers and retailers. Major S. J. B. said he had heard rumors of Communist agents operating in Belgrade. He was asked to keep a close watch on them. Major B. J. B. was asked to keep a close watch on them.

11. COMMERCE.

(a) IMPORTS.

Imports of various goods from BELGRADE expected next two days.

(b) EXPORTS.

Exports of various goods, including allocation of coal, stated that 10,000 tons per month considered adequate for coal. Major B. J. B. said the situation was not sufficient and that 10,000 tons would be required. Coal supplies have been increased, also of 10,000 tons per month for BELGRADE and FOLA combined.

(c) IMPORTS AND EXPORTS.

Jugoslav railway authorities have requested 1000 tons per month for the railways in Zone B. The DDIA is considering this request. It is suggested that this be approved. Major B. J. B. have suggested that this provision be made conditional on the Jugoslavs supplying 4000 tons of livestock for Zone A per month.

ACTION.(a) COTTON.

Two hundred tons of cotton out of the first shipment to Italy have been allocated to VIRGILIA GIULI. This is due to work in UNION any day now.

(a) HOGS & SHEEP.

A consignment of hogs and sheep is expected today. (22nd).

(4) MILK.

MILK. Timber question is still not settled. Commerce Division have applied for two saw mills in UDINE to be allocated to VERBA. These have not yet been approved.

(1) LIME.

Locations of lime will be arriving in the Region shortly.

(4) WOODS.

A consignment of woods will be arriving from Verba next week. The rates are very high but finance is trying to get them reduced (see 10 (b)).

12. FARMING TOOLS.(a) BUILDING MATERIALS.

Major TODEN referred to Minute 12 of last meeting, and emphasized that Public Works also required details from Ministry of Production estimates and replacement of stocks.

(a) MANUFACTURE.

Major TODEN asked if greater attention could be given to small details in setting industry plan. He stated that there are very little alterations and small factories to enter from which was unaccountable to oil consumption with the result that factories idle themselves and started up again. He felt that attention to small matters like this would yield substantial if not spectacular results.

1. MINISTRY OF AGRICULTURE.

(4) 1000.

that your question is still not settled. Garwood
Division have applied for two saw mills in UDLR to be
allocated to TIMBER CUBA. These have not yet been
approved.

C. L. R.

• STRENGTH
of the sup. of individual in the group is even better

(11) 054130.

A comparison of, received will be arriving from various sources. The data are very high in. Financial is

12. PUBLIC WORKS.

• STRUCTURAL SOLUTIONS

Manager NORMAN referred to Minute 12 of last meeting, and emphasized that Public Works also provided details from Industry of Production estimates and replacement of trucks.

2000年12月14日

factory sold, and if greater attention could be given to small details in various industry jobs. He stated that there is a very little attention paid to small details in the very little attention paid to small details in the match iron coal which was unacceptable to oil companies on with the result that factories like his were being shut up again. He felt that attention to small matters like this would yield substantial if not extraordinary results.

L. HUGHES, JR.

S.O. I explained the absence of three members due to the serious position regarding the first lay off of workers, now taking place under the new order.

14. The Government of the Soviet Union, under certain conditions, is prepared to supply the territory of the Republic of Armenia with food and other necessities of life. The Government of the Republic of Armenia is requested to accept the offer of the Government of the Soviet Union.

D.S. RICHFIELD,
Independent Counsel,
Tucson, Ariz.

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