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MINUTES OF JOINT ECONOMIC COMMITTEE, 13 CORPS
NOV. 1945 - NOV. 1946

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

Chief Commissioner.

Attached is submitted for your ~~Approval~~ information

~~Signature~~

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AUG 19 1946

MS/17/8

Cble. Ex Comm 105.

Folios 100-104 is minutes of the Joint Economic Committee Venezia Giulia. 96-98 deals with Industry, Commerce, fuel & power; & 94 & 95, finance. Passages of interest have been marked.

G. McM. 16/8 N.S. 16/8.

Che

Ex Comm. 114.

Cble. Folios 106-113 for info. please. Passages of interest have been marked.

G. McM. 10/12. N.S. 10/12

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COO. Section 54 - ( ) for info.

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Seen by E.C.

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Note. Joint Economic Committee minutes for October – November being forwarded.

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JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
VENEZIA GIULIA, TRIESTE.

13 NOV 46.

JOINT ECONOMIC COMMITTEE - AGENDA.

The sixteenth meeting of the Joint Economic Committee will be held at 10.00 hrs on THURSDAY, 21 NOVEMBER 1946, in the Main Conference Room No.68, HQ ANG VENEZIA GIULIA, TRIESTE, to consider the following Agenda :-

1. Minutes of the fifteenth meeting held on 25 JULY 46.

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

   a) Industry & Commerce and Fuel & Power Sub-Committee meeting of 4 NOV 46.
   (Appendix A)

   b) Finance Sub-Committee meeting of 4 NOV 46.
   (Appendix B)

3. Any other business.

4. To set a date for the next meeting.

T.C.H. BURROWS,
Major, DA AG.
Secretary,
Joint Economic Committee.

LVW.

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1. Minutes of the fifteenth meeting held on 25 JULY 46.

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

   a) Industry & Commerce and Fuel & Power Sub-Committee meeting of 4 NOV 46.
   (Appendix A)

   b) Finance Sub-Committee meeting of 4 NOV 46.
   (Appendix B)

3. Any other business.

4. To set a date for the next meeting.

T.G.R. BURROWS,
Major, DA AG,
Secretary,
Joint Economic Committee.

LVW.

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ATTACHMENTS:

Appendices "A" and "B".

Declassified E.O. 12356 Section 3.3/NND No. 785013

APPENDIX "A"

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
VENEZIA GIULIA, TRIESTE, ITALY.

4 NOV 46.

MINUTES

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

211. The fifteenth meeting of the Industry & Commerce and the Fuel & Power Sub-Committee was held at 11.00 hrs., 4 NOV 46, in the Economic Section, HQ AMG Venezia Giulia, TRIESTE.

PRESENT:

Chairman

Major K. COOPER,
Economics Section,
HQ AMG Venezia Giulia.

Members

Lt.Col. J.E. PODEN,
Ind & Utilities,
AMG Venezia Giulia.

Ing. KOVACIC, M.
Major BJELIS, S.
Major GOLOB, R.
Mr. URSICIC, P.

In Attendance

Lt.Col. A.A.W. STEPHENS,
Commerce, AMG Venezia Giulia.

Major P.J. MAHONEY,
Economics, AMG Venezia Giulia.

Major J.R. SQUIRS,
Public Wks., AMG Venezia Giulia.

Capt. LENO, V.G.E.P.

212. MINUTES OF THE MEETING HELD ON THE 5 APRIL 46 ON SHIPPING. folio 101

Major BJELIS referred to Minute 539 of the fifteenth meeting of the General Committee and stated that since the British-American delegation did not wish to take into consideration the Jugoslav objections to the minutes of the Shipping meeting, the Jugoslav delegation rejected the whole of the minutes.

After further discussion it was agreed to put on record that the Jugoslav delegation do not consider that the minutes of the shipping meeting held on the 5th of April 1946 are an accurate record of what took place at the meeting.

213. PLANS OF THE CARSIC AQUEDUCT "MONTE RE".

Ing. URSICIC asked if the plans of the aqueduct could now be produced.

Major COOPER replied that a thorough search had been carried

Declassified E.O. 12356 Section 3.3/NND No. 785013

PRESENT:

Chairman

Major K. COOPER,
Economics Section,
HQ AMG Venezia Giulia.

Members

Lt.Col. J.E. FODEN,
Ind & Utilities,
AMG Venezia Giulia.

Ing. KOVACIC, M.
Major PJELIS, S.
Major GOLOB, R.
Mr. URSICIC, P.

In Attendance

Lt.Col. J.A.W. STEPHENS,
Commerce, AMG Venezia Giulia.

Major D.J. HARKNEY,
Economics, AMG Venezia Giulia.

Major J.R. SQUIRS,
Public Wks., AMG Venezia Giulia.

Capt. LENO, V.G.F.F.

Folio 101

212. MINUTES OF THE MEETING HELD ON THE 5 APRIL 46 ON SHIPPING.

Major PJELIS referred to Minute 539 of the fifteenth meeting of the G[illegible] Committee and stated that since the British-American delegation did not [illegible] take into consideration the Jugoslav objections to the minutes of [illegible] Shipping meeting, the Jugoslav delegation rejected the whole of the minutes.

After further discussion it was agreed to put on record that the Jugoslav delegation do not consider that the minutes of the shipping meeting held on the 5th of April 1946 are an accurate record of what took place at the meeting.

213. PLANS OF THE CARSIC AQUEDUCT "MONTE RE".

Ing. KOVACIC asked if the plans of the aqueduct could now be produced.

Major COOPER replied that a thorough search had been carried out in Trieste and in Gorizia, but the plans could not be found. Public Works had stated that the plans were not in existence when they took over in June 1945. An attempt to make new copies from memory is now being made by the engineer who knew of the plans, but this engineer has been in hospital for a few weeks. As soon as the plans are completed they will be forwarded.

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214. BITUMEN FOR THE REPAIR OF THE POLA ROAD.

Major GOLOB said that he had asked for bitumen for the repair of the Trieste-Pola road. The agreement was that the Allies supplied the bitumen and the Jugoslavs supplied the labour to keep the road in repair.

Major SQUIRS../

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214. (Contd).

Major SQUIRE said that bitumen was supplied in the early part of this year but the empty barrels were not returned as agreed. The position is now different and the Allies are not in a position to provide any more bitumen. The State Roads have a certain quantity but who is going to pay for it if it is furnished? Moreover, can the work be done this winter? The only successful way is by using hot emulsion.

Major GOLOB replied that the road was used by Allied vehicles. The Agreement was that the Allies supply the bitumen, and therefore there was no question of paying for it.

The Chairman said that the matter would be discussed at the main meeting, and that before that meeting the agreement referred to would be consulted if it could be found. It appeared from the discussion that the agreement was a military one.

Major SQUIRE inquired what quantities were required.

Major GOLOB stated that the Jugoslav technical experts have already informed AMG of the quantity necessary. The Chairman requested copies of the information.

215. EXPORT OF MACHINERY FROM POLA.

Major BUELIS said that he had information that the export of machinery from Pola was being hastened, and enquired if this was because Pola was likely to be ceded to Jugoslavia, and whether the Allies intended to take all the machinery out of Pola.

The Chairman stated that the Allies themselves were not taking anything out of Pola, and that Col. Lenoe had himself stated at a previous meeting that there was no objection to a firm moving its machinery within the Zone.

Major GOLOB pointed out that the statement of Col. Lenoe was that he had nothing against a firm moving its plant to another branch or affiliation within the Zone. Now there were concrete cases of machinery being taken to other places than branches of the same firm, and even taken overseas. Amongst others 4 lathes and a whole blacksmith's shop had been removed. There was also the case of the removal of a transformer from Opicina to Milan.

The Chairman stated that it was not the policy of AMG to strip Pola of its industrial capacity, and that he would answer any queries if the Jugoslav delegation would submit full details of specific cases. On the other hand, he himself had similar reports of machinery being removed to other parts of Zone B from that part of Zone B proposed for inclusion in the international territory.

Major GOLOB stated that he would submit full details of these removals from Pola.

Colonel FOREN enquired if it was true that machinery was being removed from that part of Zone B that was likely to be included in the international State.

Major BUELIS replied that this was not true.

Referring again to the transformer at Opicina, he stated that the dismantling was being continued, and that this matter had been referred to him by the Jugoslav members of the Joint Operating Committee.

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The Chairman stated that the Allies themselves were not taking anything out of Pola, and that Col. Lenac had himself stated at a previous meeting that there was no objection to a firm moving its machinery within the Zone.

Major GOLOB pointed out that the statement of Col. Lenac was that he had nothing against a firm moving its plant to another branch or affiliation within the Zone. Now there were concrete cases of machinery being taken to other places than branches of the same firm, and even taken overseas. Amongst others 4 lathes and a whole blacksmith's shop had been removed. There was also the case of the removal of a transformer from Opicina to Milan.

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Major GOLOB stated that he would submit full details of these removals from Pola.

Colonel POREN enquired if it was true that machinery was being removed from that part of Zone B that was likely to be included in the international State.

Major BELLIS replied that this was not true.

Referring again to the transformer at Opicina, he stated that the dismantling was being continued, and that this matter had been referred to him by the Jugoslav members of the Joint Operating Committee

The Chairman said that it was a matter for the Joint Operating Committee, but the matter could be brought up at the main meeting.

216. CRANE.

Ing. KOVACIC referred to the decision of the Allied Authorities not to release this crane, and said that this decision was not acceptable, since the crane had been awarded as war booty and was urgently required.

The Secretary remarked that this decision was one of the War Booty Committee and not of the Joint Economic Committee. The Jugoslav members of the War Booty Committee were aware of the reasons.

The Chairman ..../

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216. (Contd).

The Chairman suggested that the Jugoslav delegation take the matter up with their War Booty Committee, and if necessary they could raise the matter again at the main meeting of the Joint Economic Committee.

217. RECOVERY OF MACHINERY MOVED BY THE GERMANS.

Major GOLOB asked for Allied help in recovering the following machinery removed by the Germans:

1. MOTOR machinery.
2. Silurificio Fiumano. Approx. 1,000 machines taken in 1944 to Italy.
3. Latulje - part of power station taken in 1944 to Compoloso, and a machine taken to Udine.

The Chairman asked for a letter giving full details and stated that on receipt of these details the question would be examined and the Jugoslav delegation informed if it was possible to help them in this matter or not.

218. [illegible] PRICE OF ELECTRIC POWER IN ZONE B AND ZONE A.

Mr. UKMAR asked why the price of electric power was higher in Zone B than in Zone A.

It was agreed that this should be brought before the Finance Sub Committee meeting to be held that afternoon.

219. TRAFFIC ACCIDENTS.

Major BAILEY referred to letters written by the Jugoslav Military Government in March and April 1946 on the subject of traffic accidents which have occurred on the Trieste - Pola road, and asked if AMG were prepared to pay compensation.

It was agreed that the Jugoslav delegation would furnish copies of their letters, when the matter would be investigated and discussed at the main meeting.

220. (1) LENDING OF SPECIAL TRUCK IS REFUSED.
(2) DRIVING LICENCE OF [illegible] SUSPENDED.
(3) REQUEST FOR RELEASE OF PRESIDENT OF [illegible] NATIONAL COMMITTEE.

The Chairman informed the Jugoslav delegation that the Secretary had seen the Chief Police Officer, but more details were required.

Capt. LEE of the V.G. Police stated that he would investigate (1) and (2).

Major BAILEY said, with regard to (3), that MAVRO Mirko had been arrested and put into Gorizia prison. He was transporting materials with an AMG permit.

Mr. STRACHEY said he would investigate on receipt of full details.

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3. Matulje - part of power station taken in 1944 to Co[illegible], and a machine taken to Udine.

The Chairman asked for a letter giving full details and stated that on receipt of these details the question would be examined and the Jugoslav delegation informed if it was possible to help them in this matter or not.

218. [illegible] PRICE OF ELECTRIC POWER IN ZONE A AND ZONE B.

Mr. URSIC asked why the price of electric power was higher in Zone B than in Zone A.

It was agreed that this should be brought before the Finance Sub Committee meeting to be held that afternoon.

219. TRAFFIC ACCIDENTS.

Major BURTIS referred to letters written by the Jugoslav Military Government in March and April 1946 on the subject of traffic accidents which have occurred on the Trieste - Pola road, and asked if JMG were prepared to pay compensation.

It was agreed that the Jugoslav delegation would furnish copies of their letters, when the matter would be investigated and discussed at the main meeting.

220. (1, [illegible] ON SIGN TAKEN IN TRIESTE.
(2, DURAVIC - RETURN OF [illegible] PRISONER.
(3 RELEASE FROM PRISON OF PRESIDENT OF SOKOL [illegible] ITALY.

The Chairman informed the Jugoslav delegation that the Secretary had seen the Chief Police Officer, but more details were required.

Capt. LEAT of the V.G. Police stated that he would investigate (1, and (2,.

Major BURTIS said, with regard to (3, that ERVO Mirko had been arrested and put into Gorizia prison. He was transporting materials with a [illegible] permit.

Col. STEPHENS said he would investigate on receipt of full details.

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221. [illegible] LIBRARY.

Mr. KOVACIC asked for the return to the Idria High School of its library, at present in Gorizia.

The Chairman said the matter would be investigated on receipt of full details.

222. [illegible] BOAT.

Major O[illegible] asked if the Jugoslav delegation could now give their promised answer about the motor boat [illegible]. Was it requisitioned or had it been taken irregularly. The owner claimed that he received no papers when the boat was taken.

Major BURTIS ...../

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222. (Contd.).

Major ELLIS said the boat was now in Capodistria being repaired. The owner, if he can prove his ownership, should get in touch with the Jugoslav Military Government.

Major [illegible] asked if the owner would be given some form of document if he did so.

In the case of the tug Nettuno the Jugoslav delegates had agreed that on payment of the costs the craft would be returned, but the boat is still in Zone B, even though the owner has met all the conditions requested by the Jugoslav Military Government.

Major ELLIS replied that every case has its special circumstances and he did not desire to discuss the question any more. If a shipping conference is desired, the matter can then be discussed.

223. MINE COAL.

The Chairman stated that the supply of mine coal to Zone A had almost stopped. Is there any policy by Jugoslav Military Government on the export of mine coal?

Col. STEVENS added that his information was that supplies from Zone B have been restricted until such time as the Jugoslavs receive from Italy goods that they have on order, such as machinery.

IVOD had been asked on many occasions how much coal they could place at the disposal of Zone A, but no satisfactory answer was ever received.

Major GOLOB replied that export of mine coal had not stopped, but of course he had to see that his own requirements were. Zone B was always a creditor in the import-export trade. He required goods in exchange for coal, in preference to a bank credit.

Col. STEVENS asked for details of what goods Zone B had ordered from Italy and not received. He would then see what he could do to help.

Major GOLOB promised the details and added that in one case a firm had received from J.M.G. a permit to buy vehicles in Italy. A permit to export coal had also been given. The coal had been exported but they were still awaiting the vehicles.

Col. STEVENS said he would take this matter of exports up with the Italian Ministry of Commerce.

In answer to a question from the Chairman, Major GOLOB stated that he did not consider that J.M.G. were making any regulations that were hampering trade. It was the slowness of Italian firms in delivering the goods that was the trouble.

224. DEMARCATION LINE - AREITA CROPS OF ACTIVE POLA.

Major DOUGLAS said the point here was that although the seed and fertiliser came from Pola, at the harvest the crop was taken by the Zone B authorities. The owner of the land should be allowed to dispose of his crop.

Major GOLOB remarked that in cases like this it was necessary to prove ownership of land on both sides of the line.

Major DOUGLAS said he would produce a letter and a map, and the answer could be given at the main meeting.

225. REMOVAL OF HOUSEHOLD GOODS FROM ZONE B.

223. AMG. ZONE A.

The Chairman stated that the supply of Area coal to Zone A had almost stopped. Is there any policy by Jugoslav Military Government on the export of Area coal?

Col. STEVENS added that his information was that supplies from Zone B have been restricted until such times as the Jugoslavs receive from Italy goods that they have on order, such as machinery.

SHAEF had been asked on many occasions how much coal they could place at the disposal of Zone A, but no satisfactory answer was ever received.

Major GOLOB replied that export of Area coal had not stopped, but of course he had to see what his own requirements were. Zone B was always a creditor in the import-export trade. He required goods in exchange for coal, in preference to a bank credit.

Col. STEVENS asked for details of what goods Zone B had ordered from Italy and not received. He would then see what he could do to help.

Major GOLOB promised the details and added that in one case a firm had received from J.A.G. a permit to buy vehicles in Italy. A permit to export coal had also been given. The coal had been exported but they were still awaiting the vehicles.

Col. STEVENS said he would take this matter of exports up with the Italian Ministry of Commerce.

In answer to a question from the Chairman, Major GOLOB stated that he did not consider that A.M.G. were making any regulations that were hindering trade. It was the slowness of Italian firms in delivering the goods that was the trouble.

224. DEMARCATION LINE - MOVEMENT OF LIVESTOCK.

Major COOPER said the point here was that although the seed and fertiliser came from Zone B, at the harvest the crop was taken by the Zone B authorities. The owner of the land should be allowed to dispose of his crop.

Major GOLOB remarked that in cases like this it was necessary to prove ownership of land on both sides of the line.

Major COOPER said he would produce a letter and a map, and the answer could be given at the main meeting.

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225. REMOVAL OF HOUSEHOLD GOODS FROM ZONE B.

The Chairman enquired if it were true that Italian nationals leaving Zone B were not allowed to take with them pianos, radio sets, bicycles, and other articles of that nature.

Major GOLOB stated that whilst it was possible to take away pianos, gramophones and sewing machines, permission could not be given to take out of Zone B technical articles such as radios and bicycles since it was necessary at the present time to import such articles, but people were allowed to sell these before leaving.

226. SECURITY MATTERS.

Col. NOEL ...../

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226. ELECTRICITY RATIONING.

Col. FOSS stated that it was necessary to cut the consumption of electricity by 20 per cent immediately, both in Zone A and Zone B, and that arrangements to that effect were being made with Lng. SIROSIC, the Yugoslav representative. It had been agreed that as the Yugoslavs have two thermal stations in Zone B, they will operate these to offset the reduction they must make in the amount of current taken from Selvag.

227. WOOD FOR TRIESTE GAS.

Col. STEVENS referred to the delay that had taken place in the signing of the contract for the supply of wood to Pola. Although the quotation received from UNRRA had been accepted a month ago, it had been impossible to get the contract signed and it had been necessary to send an officer to Pisa to that purpose.

Major GOLDE said it was due to a misunderstanding, and as soon as the officer arrived the matter was arranged satisfactorily.

T. R. BURNS,
Major, D.A.G.,
Secretary,
Joint Economic Committee.

TRB/LH

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227. WOOD SUPPLY FOR POLA.

Col. STEPHENS referred to the delay that had taken place in the signing of the contract for the supply of wood to Pola. Although the quotation received from UNWCD had been accepted a month ago it had been impossible to get the contract signed and it had been necessary to send an officer to Rome for that purpose.

Major GOLDIE said it was due to a misunderstanding, and as soon as the officer arrived the matter was arranged satisfactorily.

T. A. BURGESS,
Major, D.A.G.,
Secretary,
Joint Economic Committee.

TAB/LH

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APPENDIX B 107

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT,
VENEZIA GIULIA, TRIESTE, ITALY.

4 NOV 46

MINUTES

FINANCE SUB-COMMITTEE

82. The tenth meeting of the Finance Sub-Committee was held at 15.30 hours, 4 NOV 46, in the Finance Division, HQ AMG Venezia Giulia, TRIESTE.

PRESENT:

Chairman

Lt.Col. N.T. BEARD,
CMC, AMG Venezia Giulia.

Members

Ing. KOVACIC, M.
Mr. URSICIC, P.
Major BJELIS, S.
Major GOLOB, R.
} Jugoslavia.

83. PAYMENTS BY UIVOD FOR EXPORTS TO ZONE B.

Mr. URSICIC said that it understood that when an order for goods is placed, the whole of the purchase price is blocked on UIVOD's account, although delivery may not take place for several months afterwards. He asked for this to be altered and payment to be made on delivery.

Lt.Col. BEARD stated that it was not his order that the whole purchase price must be paid at the time of ordering goods. If firms required a deposit with the order, that was another matter and depended on the conditions of sale, but in that case the final adjustment only took place when the goods cross the Morgan Line.

Major GOLOB then enquired if UIVOD could use the balance of the account at any time for business.

Lt.Col. BEARD explained that the account could be used for the purchase of goods for which a permit is issued, and that was the idea of the clearing account. The accounts of UIVOD and CENTROPROM were also used for the payment of such organisations as the Jugoslav Mission for UNRRA, and other services.

84. PAYMENT OF SALARIES BY ITALIAN BANKS IN FIUME.

Mr. URSICIC asked what arrangements could be made for the payment of the employees of Italian banks in Fiume, since there was a regulation forbidding the export of currency.

Lt.Col. BEARD asked, As the banks were without money, whether the Jugoslavs preferred money to be sent or whether they desired the payments to be made through UIVOD

they should furnish to the Jugoslavs

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

PRESENT:

Chairman

Lt.Col. W.T. BEARD,
CMC, AMG Venezia Giulia.

Members

Ing. KOVACIC, M.)
Mr. URSICIC, P.) Jugoslavia.
Major BJELIS, S.)
Major GOLOB, F.)

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84. PAYMENT OF EMPLOYEES OF ITALIAN BANKS IN FIUME.

Mr. URSICIC asked what arrangements could be made for the payment of the employees of Italian banks in Fiume, since there was a regulation forbidding the export of currency.

Lt.Col. BEARD asked, as the banks were without money, whether the Jugoslavs preferred money to be sent or whether they desired the payments to be made through UIVOD

It was agreed that the banks should furnish to the Jugoslavs a list of accounts to be paid. Payments would then be made from UIVOD's account in Zone B and UIVOD's account in Trieste would be credited with the total sum.

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85. CASA RURALE ITALIANA.

Mr. URSICIC raised the question of a letter that had been sent direct from AMG to the Casse Rurale at Albona.

Lt.Col. BEARD agreed that the correspondence should have passed through the Jugoslav Military Government, and regretted that due to an error in this particular case, the letter had been sent direct.

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86. RISE OF ELECTRICITY IN ZONES A AND B.

Mr. URSICIC stated that Slovenija was charging more for electricity to consumers in Zone B than in Zone A and asked for prices to be made equal in both Zones.

Lt.Col. BEARD said that he would ask Slovenija why the rates charged are not the same, and if there were no legitimate reasons, the prices should be equal.

87. DEVALUATION OF LIRA.

Lt.Col. BEARD enquired if the recent decree published by the Jugoslav Military Government on the value of the Lira in Zone B had yet produced any noticeable effect in that Zone.

Mr. URSICIC replied that not as yet, but it would have an effect and according to the economic circumstances any necessary action would be taken.

T G R Burrows

T.G.R. BURROWS,
Major, DCMG,
Secretary,
Joint Economic Committee.

TGRB/LVW

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

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

25 JUNE 46.

AUG 15 1986

MINUTES

1. The fifteenth meeting of the Joint Economic Committee was held at 10.00 hours, on 25 JUNE 46, in the Main Conference Room at HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman

Brigadier E.M.F. BARTER, OBE,
Brigadier i/c Admin, 13 Corps.

Members

Colonel C.V. BARKER
HQ AG, TRIESTE.

Lt.Col. LUMAC, M.
Chief of Industry Delegation.

Lt.Col. H.C. BEARD
G(C), AMG 13 Corps.

Ing. KOVACIC, M.,
Industry, Jugoslavia.

Lt.Col. H.S. BIRKENSTEIN,
Economics AMG 13 Corps

Major GOLOB, M,
Transportation, Jugoslavia.

Lt.Col. A.S. HILTON,
(Rev), 13 Corps.

Mr. RUSIC, P,
Finance, Jugoslavia.

Lt.Col. C.A. POWELL,
Int & Utilities,
AMG 13 Corps.

In Attendance:

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

Major K. KLEIN,
Economics, AMG 13 Corps.

2(a). TRANSLATION OF THE AGREEMENT REACHED ON THE LIQUIDATION & EXCHANGE SETTLEMENTS.

The t/s minutes were received.

2(b). MACHINERY REMOVED FROM THE TOBACCO MILL AT POREC.

Lt.Col. BIRKENSTEIN handed to the Jugoslav Delegation a list of machinery removed from the cotton mill at Rovigno, and also a list of

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Chairman

Brigadier R.D.K. DAVID, OBE,
Brigadier A/G Admin, 13 Corps.

Members

Colonel C.A. PARROTT
HQ AA, TRIESTE.

Lt.Col. L'HAC, M.
Chief of Jugoslav Delegation.

Lt.Col. E.T. HEARD
GSO, AAG 13 Corps.

Ing. KOVACIC, V.,
Industry, Jugoslavia.

Lt.Col. R.B. DICKINSON,
Commander AIG 13 Corps

Major GOLOB, S.,
Transportation, Jugoslavia.

Lt.Col. A.G. HILLARY,
A/Q (Mov), 13 Corps.

Mr. DESPOTOVIC, P,
Finance, Jugoslavia.

Lt.Col. E.A. FORBES,
Dy D Militaire,
AAG 13 Corps.

In Attendance

Lt. Col. D.A.W. STEELE'S
Chief Clerk Officer,
AAG 13 Corps.

Major K. GOCEVA,
Commander, AAG 13 Corps.

34). MINUTES OF THE PREVIOUS MEETING & MATTERS ARISING THEREFROM.

The A/M minutes were received.

35). MACHINERY REMOVED FROM THE COPPER MILL AT POLJORA.

Lt.Col. HUNTSMAN handed to the Jugoslav Delegation a list of machinery removed from the copper mill at Poljora, and also a list of machinery put in the mill in replacement.

Lt.Col. L'HAC expressed his satisfaction and stated that this was all that he required.

36). MACHINERY REMOVED FROM SIDEROL, ARSA AND PIRAN.

Lt.Col. HUNTSMAN asked if the Jugoslav Delegation could prepare for him a list of machinery removed from the mine at Sideriolo, the mine at Arsa, and the MOMA installation at Piran.

Lt.Col. L'HAC replied that the Sideriolo mine was the property of Arsa. If machinery had been moved from one mine of Arsa to another mine of Arsa, it was entirely an internal matter which was the concern of that Company only.

Lt.Col. HUNTSMAN ...../

(Over p.)

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345. (contd).

Lt.Col. PIGOTT-T indicated that he still required the lists, and pointed out that in similar cases in the past, he had given lists to the Jugoslav Delegation.

Lt.Col. LAIAU said that the movement of machinery in question was for economic reasons, one of which was to increase the output of the area. Such movement was not forbidden by the Morgan-Jovanovic Agreement and he still did not see any necessity to produce lists.

The Chairman stated that he felt sure that although the Jugoslav delegation now admitted that machinery had been moved, they would be prepared to produce a list of such machinery if asked to do so.

Lt.Col. LAIAU replied that he could produce lists but pointed out that before any machinery was moved out of Zone "B", but he did not consider it necessary to do so when the movement was not out of the Zone. He added that it should be recorded in the minutes that movement of machinery in Zone "B" to anywhere else in Zone "B", or of machinery in Zone "A" to anywhere else in Zone "A" was not outside the Morgan - Jovanovic Agreement.

After further discussion the Jugoslav delegation agreed to produce the lists of machinery asked for by Lt.Col. PIGOTT-T. It was finally agreed that they accepted the wording of the minute as recorded, but wished the following statement made by them to be added :

"The discussion that was held about the removal of machinery from Pola on one side and the question of removal of machinery from Istria on the other side, must not influence the removal of machinery in connection with the newly created political situation, that is to say, on the grounds of this discussion it should not be construed permissible to remove machinery from Pola except in pursuance of the terms that are there in Zone 'A'."

The British-Armed Delegation made no comment on this statement.

346. EXPORTS FROM ZONE "A".

Major GOLOB stated that export licences to permit entry of goods into Zone "A" and Jugoslavia were being issued very slowly.

The Chairman asked if the list of goods for which licences were required was ready.

Major GOLOB said it was difficult to compile the list, but that it would be produced.

Lt.Col. STEPHENS pointed out that for export of goods the Italian authorities required a certificate from the local Chamber of Commerce that the goods were in the area and could be exported was necessary before a licence could be granted. This procedure was not being followed with the result that the issue of necessary licences was held up.

Major GOLOB said that he would mention this to Gentilomo and Trieste.

347. MISCELLANEOUS.

Major GOLOB, referring to Minute 327 of the Industry [illegible] orders for coal [illegible]

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[illegible] to produce [illegible] of such machinery [illegible] to do so.

Lt.Col. LEAD replied that he [illegible] produce lists and even [illegible] before any machinery was moved out of Zone "B", but he did not consider it necessary to do so when the movement was not out of the Zone. He asked that it should be recorded in the minutes that movement of machinery in Zone "B" to anywhere else in Zone "B", or of machinery in Zone "A" to anywhere else in Zone "A" was not outside the Program - Jan - April movement.

After further discussion the Jugoslav delegation agreed to produce the lists of machinery asked for by Lt.Col. STEVENS, and it was agreed that they accepted the wording of the minute as recorded, but wished the following statement made by them to be added :

"The discussion that was held about the removal of machinery from Pola on one side and the question of removal of machinery from Fiume on the other side, must not influence the removal of machinery in connection with the newly created political situation, that is to say, on the grounds of this discussion it should not be considered possible to remove machinery from Pola except to premises of the same firm also situated in Zone "A"

The British-American Delegation made no comment on this statement.

196. [illegible] MAIL.

Major GOLOB stated that export licences to permit entry of goods into Zone " " and Jugoslavia were being issued very slowly.

The Chairman asked if the lists of goods for which facilities were required was ready.

Major GOLOB said it was difficult to compile the list, but that it would be produced.

Lt.Col. STEVENS pointed out that for export of goods from Italy a certificate from the local Chamber of Commerce that the goods were not free and could be exported was necessary before a licence could be given. This procedure was not being followed with the result that the issue of the necessary licences was held up.

Major GOLOB said that he would mention this to Gentry-pro and Rodgers.

197. [illegible] COAL.

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Lt.Col. STEVENS, referring to Minute 197 of the Industry and Commerce Sub-Committee, said that AMG are placing orders for coal in USA in the same manner as everyone else.

198. POSTAL FACILITIES FOR JUGOSLAVIA IN ZONE "A".

Lt.Col. LEAD asked for the inclusion of a Jugoslav official on the Railway Coordinating Committee to be in charge of arrangements for safeguarding the transit of Jugoslav mail and postal packages.

The Chairman stated that on the trains the Jugoslavs had their own guards provided from the Jugoslav detachment.

Lt.Col. MILLAR said that trains consisted chiefly of [illegible] goods and included a Postal van. It was the duty of the Jugoslav guard to look after the whole of the train.

Lt.Col. LEAD said that he took note that the Anglo-American delegation considered that the Jugoslavs were given full opportunity to safeguard their postal packages and do not think it necessary for a Jugoslav official to be used for this purpose.

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229. RETURN OF AD-X CRANE TO ZONE "B".

Colonel HARGEST said that an answer had been sent on the 14th July 45 to the Joint Operating Committee.

Lt.Col. LIMAC pointed out that the crane was a floating crane and should be used for construction purposes and not for unloading goods. It was urgently needed for repair of the port of Fiume.

Colonel HARGEST replied that he had gone carefully into the matter. The crane was used chiefly for heavy lifts from ships and he could not alter his reply.

230. REPAIRS TO THE CAUSTO AQUED. C." ZONE "B".

The Yugoslav Delegation handed to Lt.Col. BIRKENSTEIN a written application for the aqueduct plans.

231. ACCESS TO AGRICULTURAL AT C.A.S. POLA.

Lt.Col. BIRKENSTEIN stated that details would be forwarded to the Yugoslav Delegation before the next meeting.

232. MOVEMENT OF FARM PRODUCE ACROSS THE MORGAN LINE.

Ing. MOVACIC stated that the limit of 1 kilometre each side the Morgan Line allowed to farmers, whose farms lie across the line, for moving their produce, was not sufficient. It was not possible to give particulars of cases since there were too many instances.

Major GOLDS considered that the limit should be 5 kilometres.

Lt.Col. BIRKENSTEIN said that a general limit of 5 kms. could not be given but if, where the 1 Km. limit was insufficient, the case were reported to the CAO of the Commune, the limit could be extended by him.

Ing. MOVACIC agreed and asked that CAOs be instructed accordingly.

Lt.Col. BIRKENSTEIN said he would do so.

233. FINANCE SUB-COMMITTEE.

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

234. DEDUCTED TORRENS FROM ZONE B.

Lt.Col. BLAND stated that a ruling had been made to the effect that where a German has contributed, he must receive benefit. If details were given of any case where this is not so, he would take the matter up with the Insurance Company.

Mr. MASLOIC said he would furnish details.

235. LEGAL STAMP AND TAXATION OF BONDS.

In reply to Lt.Col. BLAND, Mr. MASLOIC said he would try to produce the records shortly.

236. YUGOSLAV OCCUPATION LIRE ACCEPTED IN EXCHANGE FOR ALLIED OCCUPATION LIRE.

Lt.Col. LIMAC stated that he now agreed to exchange the

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331. AUTOMAS TRANSMITTER AT G...A. POLA.

Lt.Col. BIGGERSETH stated that details would be forwarded to the Yugoslav Delegation before the next meeting.

332. MOVEMENT OF FARM PRODUCE ACROSS THE ORGAN LINE.

Ing. KOVACIC stated that the limit of 1 kilometre each side the Organ Line allowed to farmers, whose farms lie across the line, for moving their produce, was not sufficient. It was not possible to give particulars of cases since there were too many instances.

Major GORE considered that the limit should be 5 kilometres.

Lt.Col. BIGGERSETH said that a general limit of 5 kms. could not be given but if, where the 1 Km. limit was insufficient, the case were reported to the CAO of the Commune, the limit could be extended by him.

Ing. KOVACIC agreed and asked that CAOs be instructed accordingly.

Lt.Col. BIGGERSETH said he would do so.

333. FINANCE SUB-COMMITTEE.

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

334. DISPUTED WORKING HRS. ZONE B.

Lt.Col. BLAND stated that a ruling had been made to the effect that where a foreman has contributed, he must receive benefit. If cases were given of any case where this is not so, he would take the matter up with the Insurance Company.

Mr. USTOJIC said he would furnish details.

335. ROAD HAULAGE TAXATION RECORDS.

In reply to Lt.Col. BLAND, Mr. USTOJIC said he would try to produce the records shortly.

336. YUGOSLAV OCCUPATION LINE ADAPTED TO BUS COMPANIES.

Lt.Col. LAZAC stated that he now agreed to exchange the Yugoslav occupation line taken by the bus companies.

337. YUGOSLAV OCCUPATION LINE AND DEPOTS ENCLAVE INTO ZONE "A" AND CONFISCATED.

Lt.Col. LAZAC considered that the confiscated Yugoslav occupation line and depots should now be returned since he had agreed to exchange the Yugoslav occupation line of the bus companies, although that company was below into Zone "A" in an irregular way.

Lt.Col. BLAND replied that the bus companies' tariffs must be exchanged or they could not continue to operate, but if people now in Trieste brought Yugoslav occupation line and depots into Zone "A", this money would have to be confiscated. Nevertheless, he would consider Lt.Col. LAZAC's request, but only for currency already confiscated, and not for the future.

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2. ACTIVITIES OF JUGOSLAV DELEGATION IN NEW YORK.

Mr. UNSIDE reported that he had received a request from the Yugoslav Insurance Company for permission to open an office in Toronto.

Lt.Col. [illegible] asked for a written application stating nature of business, details of class of business proposed and financial position of the Company. The matter could then be considered.

3. [illegible] OF THE SECRETARY OF STATE.

Lt. Col. HOLMES stated that the amendment proposed by the Yugoslavs to the minutes of the Ship Inq Conf rence may not be accepted by the British-Dominion delegation.

Lt.Col. LITTLE suggested that this be not dealt with at this meeting as the conference official was not present.

The Chairman stated that the British-American delegation should make statements to be recorded in the minutes. This would save time later having to again.

4. VISIT OF AIR V. ROSA.

Lt.Col. LYNAC asked if the British-American delegation knew what date Air Marshal was being received from the train at Bolton.

The Canadian stated that the matter would be investigated.

5. [illegible] OF NEXT MEETING.

It was decided that a date be fixed for the next meeting of either of the Sub-Committees and that when either the British-American or the Yugoslav delegations consider a meeting necessary, they will inform the Secretary who will then arrange a suitable date.

The Secretary to arrange a meeting of the Main Committee when requested so to do by either of the Sub-Committees.

T.M.R. BURGESS,
Major, R.C.A.,
Secretary,
Joint Economic Committee.

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Lt. Col. WILLIAMS stated that the amendment proposed by the Yugoslavs to the minutes of the Shipping Conference were not acceptable to the British-American delegation.

Lt.Col. LAIRD said that this be not dealt with at this meeting as the correct official was not present.

The Chairman stated that the British-American delegation desire their statement to be recorded in the minutes. This would save time the matter being raised again.

3. MEANS OF ACCESS TO POLA.

Lt.Col. LAIRD asked if the British-American delegations by road could not be permitted from the outset.

The Chairman stated that the matter would be investigated.

4. DATE OF NEXT MEETING.

It was decided that no date be fixed for the next meeting of either of the Sub-Committees but that when either the British-American or the Yugoslav delegations consider a meeting necessary, they will inform the Secretary who will then arrange a suitable date.
The Secretary to arrange a meeting of the Main Committee when requested to do so by either of the Sub-Committees.

T.G.R. BULLOCK,
Major, RM.F.,
Secretary,
Joint Planning Committee.

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-DISTRIBUTION-

1. CMO, AMG.
2. D/C.O, AMG.
3/6. G-5, AMG.
7. G-4, MTOUSA.
8. Q (Maint), GHQ, CMF.
9. M & TI, AMG.
10. US POLAD, AMG.
11. MESNI, AMG.
12. TN (ALIH) ROME, CMF.
13. C.O.C., 13 Corps.
14/16. D. & DC, 13 Corps.
17. AMG (Nov), 13 Corps.
18. Chief Commissioner, ALCOM.
19. HQ ALCOM.
20/29. Economic Section, ALCOM.
30. Industry & Utilities Sub-Commission, ALDM.
(att: Chief, Electrical Division)
31. Industry & Utilities Sub-Commission, ALCOM.
(att: Coal Division)
32. Industry & Utilities Sub-Commission, ALCOM.
33. Finance Sub-Commission, ALCOM.
34. American Embassy, ROME.
35. British Embassy, ROME.
36. SCAO, AMG 13 Corps.
37/38. D/SCAO, AMG 13 Corps.
39. Economic Adviser, AMG 13 Corps.
40. Public Relations Officer, AMG 13 Corps.
41. Legal, AMG 13 Corps.
42. Finance, AMG 13 Corps.
43/44. Supplies, AMG 13 Corps.
45. Transportation, AMG 13 Corps.
46. Labour, AMG 13 Corps.
47. Public Works, AMG 13 Corps.
48/67. Jugoslav Delegation.
68. Commerce, AMG 13 Corps.
69. Col. C.H. BLACKETT, MD.Th., TRIESTE.
70. G-II, AMG 13 Corps.
71. Ind & Utilities, AMG 13 Corps.
72. G-II (B) Main 13 Corps.
73/100. Spares.

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9. M & TI, AMG.
10. US POLAD, AMG.
11. RESREP, AMG.
12. FN (AMG) ROME, CMP.
13. G.C.C., 13 Corps.
14/16. D. & PG, 13 Corps.
17. AQMG (Mov), 13 Corps.
18. Chief Commissioner, AMGOT.
19. HQ AMGOT.
20/29. Economic Section, AMGOT.
30. Industry & Utilities Sub-Commission, AMGOT.
(att: Chief, Electrical Division)
31. Industry & Utilities Sub-Commission, AMGOT,
(att: Coal Division)
32. Industry & Utilities Sub-Commission, AMGOT.
33. Finance Sub-Commission, AMGOT.
34. American Embassy, ROME.
35. British Embassy, ROME.
36. SCAC, AMG 13 Corps.
37/38. D/SCAO, AMG 13 Corps.
39. Economic Adviser, AMG 13 Corps.
40. Public Relations Officer, AMG 13 Corps.
41. Legal, AMG 13 Corps.
42. Finance, AMG 13 Corps.
43/44. Supplies, AMG 13 Corps.
45. Transportation, AMG 13 Corps.
46. Labour, AMG 13 Corps.
47. Public Works, AMG 13 Corps.
48/67. Jugoslav Delegation.
68. Commerce, AMG 13 Corps.
69. Col. C.H. HUTT, SD.Tr, TRIESTE.
70. G-II, AMG 13 Corps.
71. Ind & Utilities, AMG 13 Corps.
72. GSI (B) Main 13 Corps.
73/100. Spares.

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COPY NO. 19

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

22 JUL 46.

JOINT ECONOMIC COMMITTEE - AGENDA

AUG 15 1946

The fifteenth meeting of the Joint Economic Committee (under agreement of 20th June 1945 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Jugoslav Army) will be held at 10.00 hrs on THURSDAY, 25 JULY 1946, in the Main Conference Room No.66, HQ AMG 13 Corps, TRIESTE, to consider the following Agenda :-

1. Minutes of the fourteenth meeting held on 6 JUN 1946.

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

   a) Industry & Commerce and Fuel & Power Sub-Committee meeting of 10 JUL 46. (Appx A)

   b) Finance Sub-Committee meeting of 10 JUL 46. (Appx B)

3. Any other business.

4. To set a date for the next meeting.

Kenneth Capt. RN
H. St.C. Welch
H. ST.C. WELCH,
Major, D.C.O.,
Secretary,
Joint Economic Committee.

LWH

ATTACHMENTS:

Appendix A "A" & "B".

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The fifteenth meeting of the Joint Economic Committee (per agreement of 20th June 1945 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Jugoslav Army) will be held at 10.00 hrs on THURSDAY, 25 JULY 1946, in the Main Conference Room No.66, HQ AMG 13 Corps, TRIESTE, to consider the following Agenda :-

1. Minutes of the fourteenth meeting held on 6 JUN 1946.

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

   a) Industry & Commerce and Fuel & Power Sub-Committee meeting of 10 JUL 46. (Appx A)

   b) Finance Sub-Committee meeting of 10 JUL 46. (Appx B)

3. Any other business.

4. To set a date for the next meeting.

Kenneth Cope Maj
H St C Franck

H. ST.C. FRANCK,
Major, DAQMG,
Secretary,
Joint Economic Committee.

LW

ATTACHMENTS:

Appendices "A" & "B".

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See M 105

PA 19/106

(AGOR no.)

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ANNEX A

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

10 JULY 46

MINUTES.

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

193. The fourteenth meeting of the Industry & Commerce and the Fuel & Power Sub-Committee was held at 10.00 hours, 10 JUL 46, in the Economic Section, HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman

Lt.Col. D.S. HICKERSETH,
Economics, HQ AMG 13 Corps.

Members

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

Ing. KOVACIC, M.
Maj. BJELIS, S.
Maj. GOLOB, R.
Mr. UPSICIC, P.

In Attendance

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

194. CONTROL OF GOODS CROSSING THE MORGAN LINE.

The Jugoslavs said they had investigated the statement that importers were having their permits taken from them at Jugoslav check posts, and the matter had now been settled.

195. MACHINERY EXPORTED FROM THE COTTON MILL AT PODGORA.

Major BJELIS said the Jugoslavs had been informed that machinery is still being removed from the cotton mill.

Lt.Col. HICKERSETH agreed, but he said that other machinery was being brought in. He pointed out that any operating factory must change machines from time to time, and it was not intended to prevent firms carrying on business in a normal manner, providing no violation of the Morgan - Jovanovic agreement was involved. The object of the relevant clause in the Agreement was to prevent the dismantling of factories and their removal from Venezia Giulia either to Italy or Jugoslavia. It was the principle which mattered, not the actual moving of a piece of machinery.

The Jugoslavs said that lists of machinery removed and brought

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PRESENT:

Chairman

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

Members

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

Ing. KOVACIC, M.
Maj. RJELIS, S.
Maj. GOLOB, R.
Mr. UPSICIC, P.

In Attendance

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

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Major RJELIS said the Jugoslavs had been informed that machinery is still being removed from the cotton mill.

Lt.Col. BICKERSTETH agreed, but he said that other machinery was being brought in. He pointed out that any operating factory must change machines from time to time, and it was not intended to prevent firms carrying on business in a normal manner, providing no violation of the Morgan - Jovanovic Agreement was involved. The object of the relevant clause in the Agreement was to prevent the dismantling of factories and their removal from Venezia Giulia either to Italy or Jugoslavia. It was the principle which mattered, not the actual moving of a piece of machinery.

The Jugoslavs said that lists of machinery removed and brought in had been promised at the last main meeting, but they had not yet received those lists. It appeared their information differed from that in the possession of the Anglo-American side, and the lists they had requested would prove the facts and rule out the possibility of one side or the other being mis-informed.

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Lt.Col. BICKERSTETH said he had written to the mill for a complete list of all machinery which had been removed since 1945. He had not had a reply yet, but he would press the matter and pass the list to the Jugoslavs before the next meeting.

196. GOODS IN TRANSIT FROM ITALY.

Lt.Col. STEPHENS, referring to Minute 297 of the fourteenth meeting of the Joint Economic Committee, said the promised list of goods had not yet been received.

The Jugoslavs said they would hasten the matter.

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197. ARSA COAL.

Lt.Col. BICKERSTETH said that AMG really wanted a six months programme specifying deliveries of so many tons per month.

Major GOLOB replied that this would be difficult, since Jugoslav requirements were not yet known. In answer to Lt.Col. FODEN he said it might be possible to arrange an agreement based on minimum quantities, which could be increased according to circumstances. However, considerable quantities of coal, especially coal dust, had already been put at the disposal of Zone A, but transport had always been the difficulty.

Lt.Col. FODEN said he would like particulars of the transport difficulties, and he enquired whether there were any existing stocks which AMG had failed to remove.

Major GOLOB said the Jugoslav Military Government were not selling Arsa coal - they gave it to UIVOD, a commercial concern, who pass the coal on to Italy. Could AMG assist UIVOD in the matter of licences, transport etc?

Lt.Col. STEPHENS asked whether AMG could be given the first refusal of any coal offered. AMG would then be in a stronger position to demand railway wagons and a quicker turn-over could be made. He hoped the coal position would be much improved next month by supplies from normal sources.

Major GOLOB said AMG should refer the question to UIVOD and the Jugoslavs also would pass on Lt.Col. STEPHENS's request.

198. POSTAL FACILITIES FOR JUGOSLAVS IN ZONE A.

Lt.Col. BICKERSTETH said that both UNRRA and the Post Office were satisfied with the present position, and there was no need for a Jugoslav official.

The Jugoslavs replied that UNRRA and the Post Office might be satisfied, but people who receive parcels were not, because parcels had been stolen and sometimes received with half their contents missing. They would now like a definite answer.

Lt.Col. BICKERSTETH replied that the Jugoslav application would not be granted.

199. ASSAULTS ON JUGOSLAV FUNCTIONARIES.

The Jugoslavs acknowledged receipt of the AMG reply to their report, and they expressed thanks for the measures taken.

200. CONSORZIO PER LA BONIFICA DELL'ISTRIA.

The Jugoslavs said the President of this Company had not yet visited ABRAZIA, and Lt.Col. BICKERSTETH said he would take the matter up by letter.

201. REMOVAL OF COPPER TO LUBLJANA.

The Jugoslavs handed a letter to the Chairman which stated that the copper referred to by them at previous meetings had been sent to LUBLJANA from S. PIETRO DEL CARSO in Zone B. This action did not infringe

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to remove.

Major GOLOB said the Jugoslav Military Government were not selling Arsa coal - they gave it to UIVOD, a commercial concern, who pass the coal on to Italy. Could AMG assist UIVOD in the matter of licences, transport etc?

Lt.Col. STEPHENS asked whether AMG could be given the first refusal of any coal offered. AMG would then be in a stronger position to demand railway wagons and a quicker turn-over could be made. He hoped the coal position would be much improved next month by supplies from normal sources.

Major GOLOB said AMG should refer the question to UIVOD and the Jugoslavs also would pass on Lt.Col. STEPHEN's request.

198. POSTAL FACILITIES FOR JUGOSLAVS IN ZONE A.

Lt.Col. BICKERSTETH said that both UNRRA and the Post Office were satisfied with the present position, and there was no need for a Jugoslav official.

The Jugoslavs replied that UNRRA and the Post Office might be satisfied, but people who receive parcels were not, because parcels had been stolen and sometimes received with half their contents missing. They would now like a definite answer.

Lt.Col. BICKERSTETH replied that the Jugoslav application would not be granted.

199. ASSAULTS ON JUGOSLAV FUNCTIONARIES.

The Jugoslavs acknowledged receipt of the AMG reply to their report, and they expressed thanks for the measures taken.

200. CONSORZIO PER LA BONIFICA DELL'ISTRIA.

The Jugoslavs said the President of this Company had not yet visited ABBAZIA, and Lt.Col. BICKERSTETH said he would take the matter up by letter.

201. REMOVAL OF COPPER TO LUBLJA.

The Jugoslavs handed a letter to the Chairman which stated that the copper referred to by them at previous meetings had been sent to LUBLJA. from S. PIETRO DEL CARSO, in Zone B. This action did not infringe the Morgan-Jovanovic Agreement.

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202. TUG "NETTUNO".

In reply to Lt.Col. BICKERSTETH, the Jugoslavs said the owner of the tug should get in touch with Jugoslav Military Government, who would then give him a reply.

203. RETURN OF 40-TON CRANE TO ZONE B.

In reply to the Jugoslavs, the Chairman said this was a matter for decision by Colonel BARNETT. He would, however, ask Colonel BARNETT for an answer.

204...../

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204. GRAZING FOR CATTLE.

Lt.Col. BICKERSTETH said he had taken action on this matter yesterday, and he apologised for the delay. Permission to graze cattle from Zone B on the Zone A side of the Morgan Line would be subject to approval by the Public Health Division.

205. REPAIRS TO THE CARSIC AQUEDUCT "SOUTH WEST".

The Chairman said that AMG had agreed to carry out the necessary repairs in Zone A. Would the Jugoslavs take similar action in Zone "B" ?

The Jugoslavs said they were now repairing all aqueducts, but the main difficulties were caused by the lack of plans and particulars. Could AMG supply plans of the aqueducts - Istria, Nanos, Huler and Vipacco?

The Chairman asked for a written application, which he would then pass to the appropriate authorities for action.

206. AUTOBUS REQUISITIONED BY C.P.L. POLA.

Lt.Col. BICKERSTETH said this bus belonged to the Istituto Nazionale Trasporti, Trieste, and it had been requisitioned by C.P.L., Pola. The owners were trying to recover the bus, and C.P.L. had stated last May that they had got in touch with the Communication Section of the Peoples' Liberation Council for Istria, and hoped for a speedy decision. No further reply had since been received.

The Jugoslavs requested written particulars, and it was agreed to furnish them with copies of the correspondence.

207. CONFERENCE ON SHIPPING.

The Jugoslavs handed over a revised version of the minutes taken at the shipping conference on 5 APRIL 46 and requested acceptance.

Lt.Col. BICKERSTETH said he would refer the Jugoslav draft to Major COOPER, who was Chairman of the meeting in question.

208. IRREGULAR EXPORTS OF FOODSTUFFS FROM ZONE B TO ZONE A.

The Chairman said that considerable quantities of flour were coming into Zone A from Zone B and that AMG and UNRRA were making investigations.

The Jugoslavs replied that they had received similar information from UNRRA Jugoslavia, and they had begun enquiries. It was contrary to Jugoslav regulations to export flour.

209. MOVEMENT OF FARM PRODUCE ACROSS THE MORGAN LINE.

The Jugoslavs said they permitted farmers resident in Zone A, whose farms lay in Zone B, to move hay and other farm produce across the line. Complaints had been made that AMG did not allow similar concessions to Zone B residents.

Lt.Col. BICKERSTETH requested the Jugoslavs to furnish particulars of specific cases, and action would then be taken.

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Lt.Col. BICKERSTETH requested the Jugoslavs to furnish particulars of specific cases, and action would then be taken.

210. DATE OF THE NEXT MEETING.

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Lt.Col. BICKERSTETH said the Anglo-American side felt it was unnecessary to continue holding meetings of the main committee for the present, since the sub-Committees were capable of undertaking the work involved.

The Jugoslavs agreed, and it was decided that either side could call for a sub-Committee meeting whenever the necessity arose.

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

HSTGH/LWW

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APPX "B"

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

10 JUL 46.

75. The ninth meeting of the Finance Sub-Committee was held at 14.30 hours, on 10 JULY 46, in the Finance Division, HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman

Capt. R.E. HUGHES,
Finance Division,
HQ AMG 13 Corps.

Members

Ing. KOVACIC, M.)
Mr. URSICIC, P.) Jugoslavia.
Major BULLIS, S.)

76. DISMISSED WORKERS FROM ZONE B.

Referring to the payment of unemployment benefits to insured workers, the Jugoslavs asked what action had been taken by AMG. They said the question had now been outstanding for a considerable time, and workers without financial means were suffering hardship. Since Lt.Col. HEAD had agreed that insured workmen were entitled to unemployment benefits, it should now only be necessary to confirm with the insurance companies that the premiums had been duly paid.
The Jugoslavs emphasized that an answer to this question was less important than appropriate action in the matter.

Capt. HUGHES confirmed that it had been agreed that where contributions are paid the benefits accrue to the employees, and the Insurance companies were making payments. Was it possible that contributions were not made in some cases ?

Mr. URSICIC said that employers deducted insurance premiums from wages before the workers were paid, and therefore there could be no doubt that contributions had been made.

Capt. HUGHES promised to confirm the present position in this matter by letter before the next meeting.

77. PAYMENT OF CHARGES FOR ELECTRIC CURRENT.

Capt. HUGHES enquired whether the Jugoslavs possessed any further information regarding electric motors for Zone B.

Major BULLIS replied that SELVEC had agreed to remove the motors from OPICINA and instal them in DIVACCA, but the Anglo-American side had refused permission.

It was agreed that this question was a matter for decision by the Joint Operating Committee.

[illegible] IN ZONE B

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Capt. R.E. HUGHES,
Finance Division,
HQ AMG 13 Corps.

Members

Ing. KOVACIC, M.)
Mr. URSICIC, P.) Jugoslavia.
Major EVELIS, S.)

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Referring to the payment of unemployment benefits to insured workers, the Jugoslavs asked what action had been taken by AMG. They said the question had now been outstanding for a considerable time, and workers without financial means were suffering hardship. Since Lt.Col. HEARD had agreed that insured workmen were entitled to unemployment benefits, it should now only be necessary to confirm with the insurance companies that the premiums had been duly paid.
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Capt. HUGHES enquired whether the Jugoslavs possessed any further information regarding electric meters for Zone B.

Major EVELIS replied that SEINSEC had agreed to remove the meters from OPICINA and instal them in DIVACCA, but the Anglo-American side had refused permission.

It was agreed that this question was a matter for decision by the Joint Operating Committee.

78. BRITISH OWNED PROPERTY IN ZONE B.

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With reference to proposed visits to Zone B by property owners, the Jugoslavs said it would first be necessary to establish proof of ownership. They had not yet received notice of any proposed visits.
A letter from AMG Property Control was read, which stated that an accredited representative of the Societa Anonima Mineraria Triestina (S.A.M.T.) would shortly be making application for permission to visit the company's mines and works.

Capt. HUGHES said he could not appreciate why it was necessary to establish proof of ownership before entering Zone B.

The Jugoslavs said the representative should bring with him all documents proving right of ownership, and on his arrival the Jugoslav Military Government Legal Section would examine these documents. If they were found to be in order the representative would be given access to property.

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79. REAL ESTATE AND TAXATION RECORDS.

In reply to Capt. HUGHES, the Jugoslavs said that all possible steps had been taken to secure the tax rolls requested. The books from which extracts were being made were located in a district situated partly in Zone A and partly in Zone B, and it had not been possible to make copies in a short time. They hoped it would now be only a matter of days before the extracts could be forwarded to AMG.

80. CARGO TAX ON VESSELS.

Capt. HUGHES asked whether it was a fact that a 10% cargo tax was being levied on vessels registered in Zone B. This information was sought in order to deal with a certain case which had arisen, particulars of which would be brought forward in due course.

The Jugoslavs replied that written particulars should be forwarded, which they would then pass to their Finance Section.

81. CLAIMS.

Capt. HUGHES said that AMG Finance Division had from time to time forwarded through the Joint Economic Committee various claims for compensation, some of which related to property taken by Jugoslav Partisans as long ago as 1943. Had the Jugoslavs any machinery for dealing with such claims?

The Jugoslavs replied that all such claims were referred to the Jugoslav Government. There had been several claims from people whose property had been taken by Partisans, some of which had been paid. A discussion on the subject had been held at one of the Finance meetings.

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

HSTGF/LVM

Enclosure:

Appendix "A" - AMENDMENTS.

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particulars of which would be brought forward in due course.

The Jugoslavs replied that written particulars should be forwarded, which they would then pass to their Finance Section.

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H. ST.G. FRENCH,
Major, D.L.O.C.,
Secretary,
Joint Economic Committee.

HSTGF/LW

Enclosure:

Appendix "A" - ATTACHMENTS.

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APPENDIX "A"

AMENDMENTS TO MINUTES.

At the request of the Jugoslavs, the following amendments to Minute 316 of the Main meeting, held on 6 JUNE 46, were agreed.

Para. 3. a) Delete the words "from the Americans".

b) Delete "did not wish"
Substitute "was not able".

c) For 100% read 300%.

Para. 7. Amend the first sentence to read "Lt. Col. LAZIC alluded to the difficult conditions which had prevailed in Jugoslavia and said it had been extremely hard to establish favourable circumstances for effecting payment".

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b) Delete "did not wish."
Substitute "was not able".

c) For 100% read 300%.

Para. 7. Amend the first sentence to read "Lt.Col. LEVI.C alluded to the difficult conditions which had prevailed in Jugoslavia and said it had been extremely hard to establish favourable circumstances for effecting payment".

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Letter Ex Com Rome

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Ex. Com.

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

2 March 1946.

MAR 12 1946

MINUTES

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

PRESENT:

Chairman

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

Members

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

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

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

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

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

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

Capt. HRZENJAK, D.

Ing. KOVACIC, M.,
Industry, Jugoslavia.

Major JANCIGAN, M,
Commerce, Jugoslavia.

Ing. DOLGAN, M,
Industry, Jugoslavia.

Mr. BERLIC, S,
Finance, Jugoslavia.

In Attendance

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

Major K. COOPER,
Economics, AMG 13 Corps.

See M 92

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

Major BELLAMY, G-2, 55 Area.

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

Ing. JIKOSAK, D,
Electricity,
Jugoslavia.

Major RAKKOVIC, M.

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

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Chairman

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

Members

Colonel C.J. BARNETT
DD.FN., TRIESTE.

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

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

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

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

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

Capt. HRZENJAK, D.

Ing. KOVACIC, M.,
Industry, Jugoslavia.

Major JANCIGAJ, M.
Commerce, Jugoslavia.

Ing. DOLGAN, M,
Industry, Jugoslavia.

Mr. HERLIC, S,
Finance, Jugoslavia.

In Attendance

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

Major K. COOPER,
Economics, AMG 13 Corps.

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

Major BELLAMY, G-2, 55 Area.

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

Ing. SIKOSEK, D,
Electricity,
Jugoslavia.

Major RADUKOVIC, M.

See M.92

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

186. CANCELLED DINARS

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

Lt.Col.BEARD replied that this minute did not state that he wa there, and at the last meeting of the Finance Sub-Committee held on 26 JAN he had promised to submit a letter on this subject. In any case these minu had been reviewed at the last Joint Economic Committee and no criticism of this minute had been made then.

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

(May H)

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

Staff 13/3/46

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

188. HARD COAL FOR LOCOMOTIVES IN Z. of B

Lt.Col. LEN.C asked if there had been any change in the policy concerning the question of hard coal for locomotives in Zone B. Colonel [illegible] replied that there had been no change.

189. [illegible] OF ZONE B BY MEMBERS OF THE FIUMANA AND OTHER ATTACHED SECTIONS

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

190. DEBLOCKING OF ACCOUNTS AT BANKS

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

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

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

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

191. REPAIR AND SALVAGE OF SHIPS

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

192. REGISTRATION OF SHIPS

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

193. TRANSFER AND SALE OF SHARES

Lt.Col.LEN.C submitted a letter on the question of the transfer and sale of shares as requested in minute 166 of the Joint Economic Committee meeting of 19th January. He requested that action should be taken on the suggestions incorporated in this letter. (see Appendix F).

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[illegible] SUBJECTS SOLUTIONS

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

190. DEBLOCKING OF ACCOUNTS AT BANKS

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

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

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

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

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

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

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

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

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195. TRANSIT OF GOODS THROUGH ZONE A

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

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

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

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

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

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

196. [illegible] BY ALLIED OFFICER

Lt.Col. [illegible] drew the attention of the Jugoslav representatives to the last paragraph of minute 109 of the Industry & Commerce Sub-Committee minutes of 27th February and asked if more details could be given on the statement referred to. The Jugoslavs promised to forward details.

197. CONFERENCE ON SHIPPING QUESTION.

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

Lt.Col. [illegible] agreed with the suggestion and stated he would confirm this date later. It was mutually agreed that the Committee should be on a sub-committee basis composed of experts on shipping with about the number of sub-Committee represented on each side.

198. [illegible] OF INDUSTRY FROM ZONE A.

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

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[illegible] is prolific

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

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196. [illegible]

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

197. [illegible]

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

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

198. [illegible]

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

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

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

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199. [illegible]

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

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200. BUS SERVI[illegible] AND CIVILIAN CONVOY THROUGH Z[illegible] B

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

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

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

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

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

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

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

201. BUSES OWNED BY SIGNOR GRATONI

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

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

202. DESTROYER CHURCH/HARROW

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

203. DISTILLATION OF TAR

Investigations had been commenced on the proposal for the distillation of the 30 tons of tar from the Rovigno Gas Works and information would be passed to AMG as soon as it was available.

204. THE DOCUMENTS FOR [illegible] ORGANIZATION

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

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

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already operating between Trieste and Pola should be clarified by the Jugoslav Military Government and a written authority given.
Lt.Col. LEVI stated that bus services in Zone B had greatly improved and that until Signor Gratoni withdrew his seven buses without warning, and in contravention to his contract which was not due to expire until the end of 1946, this improvement had been maintained.
The Chairman asked if written authority for the operating of the civilian convoy could be given before the next meeting.
Lt.Col.LEVI replied that he would try to arrange this.

201. BUSES TAKEN BY GRATONI

Lt.Col. LEVI requested that AMG should assist in the return of the buses owned by Signor Gratoni, who had accepted to Zone A and Pola with seven buses in contravention of his contract. It was understood that some of these buses had gone to Venice. It was requested that an answer to this request should be provided urgently as that the improvement in bus service in Zone B could be maintained.
The Chairman replied that the matter would be investigated and the results would be passed to the Jugoslavs between meetings.

202. DESTROYER ORIANI/RIJECKI

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

203. INSTALLATION OF TAR

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

204. THE CONSORTIC FOR IL BOSKIOL ADRIATICA

Lt.Col. RICHARDSON stated that he would submit the request for the documents of this organisation in writing.
Lt.Col. LEVI promised to do everything that was possible to obtain the necessary documents.

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

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

206. FLOUR MILL AT POLA

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

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207. TRANSPORT OF FLOUR POLA-TRIESTE

Lt.Col. [illegible] submitted a letter containing details of the overcharging for the shipments of flour on the Pola-Trieste sea routes by UNRRA. He stated that the bills could be provided (see Appendix 2).

208. TRANSPORT OF TROOPS & GOODS THROUGH ZONE A

Lt.Col. BIDDLECOMBE stated that action had been taken to implement the new arrangements on the 25th of February 1946 and that he would follow this up.

209. CONTROLS ON THE MORGAN LINE

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

210. THE FIFTH MEETING OF THE FINANCE SUB-COMMITTEE

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

211. DISPLACEMENT OF PERSONNEL

It was agreed that the discussions on the Finance Sub-Committee meeting of 26th February should be deferred as the Jugoslav representative had not had sufficient time to study them.

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

212. REMOVAL OF WORKMEN FROM ZONE B IN POLA

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

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

213. MACHINERY REMOVED FROM THE COTTON MILL AT RODGOR.

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

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

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Lt.Col. HIGGINBOTH stated that the date for the commencement of controls on the Morgan Line had not yet been fixed but that it would take place sometime during March 19 . Full details would be provided to the Jugoslavs with copies of all the necessary forms and documents.

210. THE NINTH MEETING OF THE FINANCE SUB-COMMITTEE

The minutes of the 9 th meeting of the Finance Sub-Committee held on the 25th of February 194 were received.

211. DISPOSAL OF DOCUMENTS

It was agreed that the discussions on the Finance Sub-Committee meeting of 25th February should be deferred as the Jugoslav representatives had not had sufficient time to study them.

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

212. REMOVAL OF WORKMEN FROM ZONE B IN POLA

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

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

213. MACHINERY EXPORTED FROM THE COTTON MILL AT RODGERA

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

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

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

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214. REMOVAL OF RAILWAY LINES

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

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

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215. IDENTITY CARDS

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

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

216. DATE OF NEXT MEETING.

It was agreed that the next meetings should be held as follows:

Industry & Commerce Sub-Committee	:	25 March 1946, 0930 hrs.
Fuel & Power Sub-Committee	:	26 March 1946, 0930 hrs.
Finance Sub-Committee	:	29 March 1946, 0930 hrs.
Joint Economic Committee	:	29 March 1946, 0930 hrs.

[illegible]

J.L. [illegible],
Major, [illegible],
Secretary,
Joint Economic Committee.

JEC/[illegible]

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TRANSLATION

TO:- A.M.G.,
Secretariat of the Joint [illegible] Committee,
[illegible]

I would like to inform you that, being very busy in my regular work, I am unable to attend the Joint Economic Committee conference on 2nd March 19[illegible]. Lt.Col. [illegible], Works, will be my substitute in my functions of president of the Delegation of the Federative People's Republic Jugoslavia.

Please give the [illegible] of the Allied Delegation and all the other members of the Delegation my regards, and I wish them a successful future work with our Delegation under the guidance of Lt.Col. [illegible] hoping for the best possible economic relations between the territory under Military Government of the Venezia Giulia and under Allied Military Government until such time when the cause will be justly solved for the benefit of the people in both a thus be for the benefit of the Federative People's Republic Jugoslavia.

DEATH TO FASCISM - LIBERTY TO THE PEOPLE.

Ljubljana, 28 Feb 46.

Dr. KOBE, Boris (signed)

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

Please give the President of the Allied Delegation and all the other members of the Delegation my regards, and I wish them a successful future work with our Delegation under the guidance of Lt.Col. LAZIC for the best possible economic relations between the territory under Military Government of the Venezia Giulia and that under Allied Military Government until such time when the issue will be justly solved for the benefit of the people in Trieste, that is for the benefit of the Federative People's Republic Jugoslavia.

DEATH TO FASCISM - LIBERTY TO THE PEOPLE.

Ljubljana, 28 Feb 46.

Dr. KIDRIČ, Boris (signed)

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TRANSLATION

APPENDIX B

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

REF : 16/46.

DATE : 25 Feb 46, Ljubljana.

TO : HQ Secretariat of the Joint Economic Committee,
TRIESTE

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

1. "Kocevje" which is in Civitavechia being used for communications with Sardinia.
2. "Risorgo" requisitioned by the Allied Navy in southern Italy.
3. "Pola", requisitioned by the Allies.
4. "Lussino", requisitioned by the Allies.
5. "San Vito", requisitioned by the Allies.
6. "Albona", requisitioned by the Allies, actually in Taranto.
7. "Lavrana", requisitioned by the Allies.
8. "Stremin", given to Greece by the Allies.
9. "Rosandra", according to information it is in the Aegean sea.

DEATH TO FA[illegible] - LIBERTY TO THE PEOPL..

President of the Delegation

DATE : 25 Feb 46, Ljubljana.

TO : AMG Secretariat of the Joint Economic Committee,

TRIESTE

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

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

DEATH TO FASCISM - LIBERTY TO THE PEOPLE.

President of the Delegation
Lt.Col.
LEKIC, Mirko (sign.d)

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TRANSLATION

APPENDIX C

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

REF : 1300/F.

DATE : 1 March 45.

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

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

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

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

Would you, please, inform us about it.

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

LIBERTY TO PASSOCK - LIBERTY TO THE PEOPLE.

Chief
Finance (Section) (signed)

Encl: 1 letter.

DATE : 1 March 46.

TO : A.M.G., FIELD SERVICE DIVISION, TRIESTE.

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

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

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

Would you, please, inform us about it.

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

DEATH TO FASCISM - LIBERTY TO THE PEOPLE.

Chief
Prov o GRSICIC (signed)

Encl: 1 letter.

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ENCLOSURE TO [illegible]

[illegible]
[illegible]

[illegible] MILITARY GOVERNMENT
TRIESTE.

Trieste, 4 Oct.45.

TO : Cassa di Risparmio d' Trieste, Trieste.

FROM : Area Finance Office TRIESTE.

SUBJECT : Transfer of funds to Zone B.

REF : E/20.

With reference to your letter dated [illegible]-45, in which you ask us whether you may transfer to your correspondent institutes in Zone B of Venezia Giulia [illegible], we confirm that the provisions normally in force [illegible] do not formally prohibit such transfer. The control exercised by public offices in Zone B is probably the result of [illegible] recent AMF Order by which Credit Establishments with central offices in Trieste and branches in Zone B are exceptionally authorised to replace funds in liquid [illegible] for specified objects to their c/o branches.

Signed: Daniel V. Hawkins
Asst Dir. CMF
CMF Trieste.

DH/m.

TO : Cassa di Risparmio d' Trieste, Trieste.

FROM : Area Finance Office Trieste.

SUBJECT : Transfer of funds to Zone B.

REF : 3/20.

With reference to your letter dated [illegible], in which you ask us whether you may transfer to your correspondent institutes in Zone B of Venezia Giulia certain sums to credit of the provisions currently in force [illegible] do not formally prohibit such transfer. The control exercised [illegible] public offices in Zone B is probably the result of [illegible] recent AMF order by which Credit Establishments with central offices in Trieste and branches in Zone B are exceptionally authorised to replace funds in limits established for specified objects to their s/a branches.

Signed: Daniel V. Hawkins
1st Lt. CMP
Area Trieste.

D.H/n.

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SECRETARIAT

ANNEX D

Joint Economic Committee
Delegation of the Federal
Peoples Republic Yugoslavia

No. 19/L.C.

Ljubljana, 15th Feb 1946.

To: JEC, Secretariat of the JEC, BELGRADE.

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

It cannot at any rate be considered that War Booty in the Italian section which was Italian territory, belonged to the Italian Government recognized by the Allies, because it was used directly for the purposes of the Italian forces which most actively collaborated with the Germans - according to information from the Ministry of Foreign Affairs of the Federative Peoples Republic Yugoslavia.

D.S.M. 3 PAGES - LIBRARY TO THE PEOPLE.

President of the Delegation
Dr. Kob., m.p.

TO: ...E, Secretariat of the JEC, ...ISSET.

With ref rence to para. 164, in accordance with the note of the War Booty Commi... it is our intent to submit a protest against the interpret...n in connection with War Booty.

It cannot otherwise be considered these War Booty in the Sicilian region which was ...ational territory, belonged to the Italian Government recognized by the Allies, because it was used simply for the purposes of the Italian forces which took actively collaborated with the Germans - according to information from the Ministry of Foreign Affairs of the Federative People's Republic of Yugoslavia.

D.E.T. T. PAVLOVIC - LIBERIA TO THE PEOPLE.

President of the Delegation
Dr. Kolo, Rome.

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TRIESTE — APPENDIX E

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

No.17/46.

Ljubljana, 25 Feb 46.

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

With reference to minute 16 of the minutes of the Joint Economic Committee, we give you the following explanation :-

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

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

DEATH TO FASCISM - LIBERTY TO THE PEOPLE.

President of the Delegation
M.Kob, Prof.

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

T A I E 5 1 2

With reference to Minute 1/6 of the minutes of the Joint Economic Committee, we give you the following explanation :-

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

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

DEATH TO FASCISM - LIBERTY TO THE PEOPLE.

President of the Delegation
M.Kob , Rear.

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TRANSLATION APPENDIX 2

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

No. 16/46.

Ljubljana, 25th Feb 1946.

TO: JEC, Secretariat of the Joint Economic Committee,
PRIŠTE

Referring to Minute 168 of the minutes of the Joint Economic Committee conference of 19th January, we give you the following explanation :-

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

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

DEATH TO FASCISM - LIBERTY TO THE PEOPLE.

President of the Delegation
Dr. Kubo, mpp.

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

Referring to Minute 168 of the minutes of the Joint Economic Committee conference of 19th January, we give you the following explanation :-

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

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

DEATH TO FASCISM - LIBERTY TO THE PEOPLE.

President of the Delegation
Dr. Kobe, Boso.

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TRANSLATION

APPENDIX C

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

ECONOMIC DIVISION
Commerce & Supply Section.

REF : 2532/P.

DATE : 1st March 1946

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

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

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

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

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

DEATH TO FASCISM - LIBERTY TO THE PEOPLE.

For the Chief of Economic Division
(signed)

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...rce & Supply Section.

REF : 2532/P.

DATE : 1st March 1946

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

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

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

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

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

DEATH TO FASCISM - LIBERTY TO THE PEOPLE.

For the Chief of Economic Division
(signed) --

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DISTRIBUTION

1.	CAO., AFHQ
2.	D/CAO., AFHQ
3/5	G-5., AFHQ
7	G-4., MTOUSA
8	Q (Maint)., GHQ., CMF
9	Mov & Tn., AFHQ
10	US POLAD., AFHQ
11	BRITAD., AFHQ
12	Tn (Main)., RHE
13	GOC., 13 Corps
14/16	DA & QMG., 13 Corps
17	AQMG (Mov)., 13 Corps
18	Chief Commissioner., ALCOM
19	HQ., ALCOM
20/29	Economic Section., ALCOM
30	Industry & Utilities Sub-Commission., ALCOM (att. Chief, Electrical Div)
31	Industry & Utilities Sub-Commission, ALCOM (att. Coal Division)
32	Industry & Utilities Sub-Commission, ALCOM
33	Finance Sub-Commission, ALCOM
34	American Embassy, RHE
35	British Embassy, RHE
36	SCAO., AMG 13 Corps
37/38	D/SCAO., AMG 13 Corps
39	Economic Adviser, AMG 13 Corps
40	Public Relations Officer, AMG 13 Corps
41	Legal, AMG 13 Corps
42	Finance, AMG 13 Corps
43/44	Supplies., AMG 13 Corps
45	Transportation, AMG 13 Corps
46	Labour, AMG 13 Corps
47	Public Works, AMG 13 Corps
48/67	Jugoslav Delegation
68	Commerce, AMG 13 Corps
69	Col. C.H. BARNETT, RDTN, Navy House, TRIESTE
70	Capt. FARRER., AMG 13 Corps
71	GSI (B)., Main 13 Corps
72/100	Spares

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[illegible]	COS., 13 Corps
14/16	DA & QMG., 13 Corps
17	AQMG (Rcv)., 13 Corps
18	Chief Commissioner., ALCOM
19	HQ., ALCOM
20/29	Economic Section., ALCOM.
30	Industry & Utilities Sub-Commission., ALCOM. (att. Chief, Electrical Div)
31	Industry & Utilities Sub-Commission, ALCOM (att. Coal Division)
32	Industry & Utilities Sub-Commission, ALCOM
33	Finance Sub-Commission, ALCOM
34	American Embassy, ROME
35	British Embassy, ROME
36	SCAO., AMG 13 Corps
37/38	D/SCAO., AMG 13 Corps
39	Economic Adviser, AMG 13 Corps
40	Public Relations Officer, AMG 13 Corps
41	Legal, AMG 13 Corps
42	Finance, AMG 13 Corps
43/44	Supplies., AMG 13 Corps
45	Transportation, AMG 13 Corps
46	Labour, AMG 13 Corps
47	Public Works, AMG 13 Corps
48/67	Jugoslav Delegation
68	Commerce, AMG 13 Corps
69	Col. C.H. BARNETT, EDTN, Navy House, TRIESTE
70	Capt. PARKER., AMG 13 Corps
71	GSI (B)., Main 13 Corps
72/100	Spares

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Economic Section
AFHQ
Rome

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

1 March 1946

JOINT ECONOMIC COMMITTEE - AGENDA

The eleventh meeting of the Joint Economic Committee (per agreement of 20th June 1945 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Jugoslav Army), will be held at 09[illegible] hrs on SATURDAY, [illegible] March 1946, in the Main Conference Room, No.68, HQ. AMG, 13 Corps, TRIESTE, to consider the following AGENDA :-

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

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

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

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

3. Any other business.

4. To set a date for the next meeting.

20

J. R. SNOWDEN
Major, DAQMG
Secretary

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

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

3. Any other business.

4. To set a date for the next meeting.

20/

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

JRS/HLC

Attachments:

Appendices "A" and "B"

(Maj H)

S/Sec'y
10/3/46

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APPENDIX A

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

27 February 1946

MINUTES

INDUSTRY & COMMERCE SUB-COMMITTEE and the
[illegible]

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

PRESENT:

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

Members

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

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

Capt. D. HRTENJAK

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

In Attendance.

Lt.Col. C.A.V. STEPHENS, Commerce.
Major BELLAMY, G-[illegible], 55 Area.

107. TRANSIT OF GOODS THROUGH ZONE

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

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

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

103

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

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

Members

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

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

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

In Attendance.

Lt.Col. C.A.T. STEPHENS, Commerce.
Major BELLAMY, G-1, 55 Area.

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103

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

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

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

108. CONTROL OF GOODS ON THE MORGAN LINE

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

109. ARSA COAL

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

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

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

110. SALVAGE AND REPAIR OF SHIPS

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

111. SHIPPING

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

The points raised for discussion were:

902

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

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902

The points raised for discussion were:

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

b) THE RELEASE OF THE SAN GIORGIO II. which was placed on the slips ostensibly for repairs in March 1943 at Rovigno, but which in fact was placed there to prevent her use by the Germans and is still on the slips awaiting release by the Jugoslav Authorities so that it may be towed to Trieste for completion.

c) THE RELEASE OF THE PICCOLA MERDA a motor fishing vessel owned by Sig. Pietro Barcola who desired to bring the vessel to Trieste, its port of registry. But was refused by the Harbour Master at Pirano, on instructions from the Jugoslav Maritime Authorities who wishes to use the ship for trade in the Gulf of Fiume.

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

112. RELEASE OF MACHINERY FROM ILVA.

Lt.Col.BICKERSTETH stated that he wished to inform the Jugoslav Authorities that the Anglo-American members of the Committee had been instructed by AFHQ, that the 79 machines, to be used for the construction of a cement plant, could be released from ILVA as they were not effected by Appendix I of the Morgan-Jovanovic agreement.

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

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

113. THE RADIO TRANSMITTER AT GORIZIA.

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

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

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

114. BUS SERVICES AND CIVILIAN CONVOY

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

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

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

c) Civilian convoy between Trieste and Pola.

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Capt. HRENJAK replied that

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112. RELEASE OF MACHINERY FROM ILVA.

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

c) Civilian convoy between Trieste and Pola.

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

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

115. DESTROYER SABBATICO/BOGRIEE

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

Capt. HRZENJAK replied that the Jugoslavs did not agree to this proposal and the letter from the Secretary had not been received.

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

116. PRICES CHARGED BY UIVOD

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

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

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

117. DISTILLATION OF TAR

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

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

118. THE CONSORZIO PER LA BONIFICA DELL'ISTRIA

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

119. RELEASE OF BUSES

AMG had been requested by the Jugoslav Military Government to release a bus situated at Scoile (No.F 398&) to the owners in Fiume. It was felt that as the Jugoslavs were at present holding two buses, two trucks and a trailer, which belonged to ENT, some form of exchange could be arranged. The details of these buses are as follows:-

Autobus	Isotta Fraschini D/120	targa	TS	14252	motore 5002	tel 5002
"	Fiat 635	"	TS	8783	" 002817	" 000072
Autocarro	OM 5 BLD	"	TS	8794	" 0460	" 0318
"	"	"	TS	8795	" 0118	" 0118
Rimorchio	Bortoletti	"	TS	464		" 745

200

120. FLOUR MILL AT POLA.

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

Capt. HRZENJAK replied that he understood that this had not been settled as that an exchange for timber had taken place.

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119. RELEASE OF BUSES

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Autobus	Isotta Fraschini D/120	targa	TS 14252	motore	5002	tel 5002
"	Fiat 635	"	TS 8783	"	002817	" 000072
Autocarro	OM 5 BLD	"	TS 8794	"	0460	" 0316
"	"	"	TS 8795	"	0118	" 0118
Rimorchio	Bertoletti	"	TS 464			" 745

100

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

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

121. TRANSPORT OF FLOUR POLA-CARSO

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

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

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122. TRANSPORT OF CATTLE & GOODS

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

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

123. FUEL & POWER SUB-COMMITTEE

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

J.R. SMITH,
Major, RAOMC,
Secretary,
Joint Economic Committee.

JRS/LVT

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

JOINT ECONOMIC COMMITTEE
FINANCE SUB-COMMITTEE - MINUTES.

28 February 1946

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

Chairman

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

Members

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

In attendance

Major BELLAMY, G-II 55 Area

38. APPOINTMENT OF COMMISSARS.

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

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

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

39. OPERATION OF BANKS IN ZONE B.

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

Capt. HRZENJAK replied that banks in Zone B were functioning freely, some banks were having difficulty regarding currency as they had sent their money to their central banks outside Zone B before the liberation but it was felt that when the problem of the indebtedness of the central banks to their branches was solved this question could be answered, but if the same system was adopted as had been used by Cassa di Risparmio, [illegible] could also be settled in this way. The [illegible] in foreign

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Chairman

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

Members

Ing. KOVACIC, V. - Jugoslavia
Mr. HERLIC, - Jugoslavia
Mr. URSICIC, P. - Jugoslavia
Capt. HRZENJAK - Jugoslavia

In attendance

Major BELLAMY, G-II 55 Area

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

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

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

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

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40. MONOPOLY STAMPS.

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

41. THE QUESTION OF THE CANCELLED DINAR NOTES.

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

42. FINANCIAL LIABILITY OF THE JUGOSLAVS IN ZONE A.

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

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

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

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

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

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

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

Capt. HRZENJAK stated that he considered he had answered the question sufficiently by answering that the Jugoslav Authorities would pay their debts. 147

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

43. DEBTS OWED TO CANTIERI BY THE JUGOSLAV AUTHORITIES

Lt.Col. BEARD stated that several hundred million lire was due to

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that an answer could be given to the request.

42. FINANCIAL LIABILITY OF THE JUGOSLAVS IN ZONE A.

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

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

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

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

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

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

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

Capt. HRZENJAK stated that he considered he had answered the question sufficiently by answering that the Jugoslav Authorities would pay their debts. 147

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

43. DEBTS OWED TO CANTIERI BY THE JUGOSLAV AUTHORITIES

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

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

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

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44. RETURN OF BANK EMPLOYEES

Lt.Col. BEARD raised two questions:

a) concerning 3 Bank employees removed from Zone A in May 1945.
b) The Chief Cashier of the Bank of Italy, ZARA.

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

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

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

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

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

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

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

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J.B. SNOWDEN,

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

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J.R. SNOWDEN,
Major, D.P.W.,
Secretary,
Joint Economic Committee.

JRS/LVH

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HQ ACOM RHME

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

19 January 1946

M I N U T E S

FEB 2 1946

159. The tenth meeting of the Joint Economic Committee was held at 0930 hours, 19 January 1946, in the Main Conference Room at HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman.

Colonel C.H. BARNETT
DDTN., TRIESTE

Members.

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

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

Lt.Col. A.J. MILLMAN
S (Mov)., Rear 13 Corps

Dr B. KOBE
Chief of Jugoslav Delegation

Ing. M. DOLGAN
Industry, Jugoslavia

Mr S. ERKLIC
Finance, Jugoslavia

Ing. D. SIKOSEK
Electricity, Jugoslavia

Major M. JANCIGAJ
Commerce, Jugoslavia

INDUSTRY & UTILITIES S/C
1 FEB 1946

In Attendance.

Capt. H. FARRIMOND
Finance, AMG 13 Corps.

160. NINTH MEETING OF THE JOINT ECONOMIC COMMITTEE.

The minutes of the ninth meeting of the Joint Economic Committee held on the 8th December 1945 were received.

161. HARD COAL FOR LOCOMOTIVES IN ZONE "B".

Dr. KOBE asked if there had been any change in policy concerning the question of hard coal for locomotives in Zone B. The Chairman replied that there had been no change.

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Present:

Chairman.

Colonel C.H. HUETT
DDTN., TWOSTE

Members.

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

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

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

Dr B. KOEE
Chief of Jugoslav Delegation

Ing. M. DOLCAN
Industry, Jugoslavia

Dr S. ERLIC
Finance, Jugoslavia

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162. THE REMOVAL OF MACHINERY FROM THE FIRM OF OMAN.

Lt.Col. RICKERSTETH stated that the firm of OMAN had been instructed not to remove any machinery without the authority of AMG. No permission had been applied for since.

163. NINTH MEETING OF FUEL & POWER & INDUSTRY & COMMERCE SUB-COMMITTEE.

The minutes of the ninth meeting of the Industry & Commerce and Fuel & Power Sub-Committee were received.

164. REPAIR AND SALVAGE OF SHIPS.

Dr KOEE stated that there did not seem to be sufficient information

See M.67

/. . . . . in the letter of

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164. REPAIR AND SALVAGE OF SHIPS (cont).

in the letter of the 8th of January from the Economic Section, AMG concerning details of the plan for repair and salvage of ships claimed as war booty.

In reply Lt.Col. BICKERSETH stated that a new policy concerning shipping had been received from AFHQ and had been sent by letter to the Jugoslav side of the War Booty Committee. This change in policy altered the whole problem and in consequence the need for this enquiry no longer existed.

Dr KOBE replied that as the problem affected relations between JUGOSLAVIA and ITALY it was beyond the competence of the Jugoslav delegation to this Committee and that it should be settled between Governments.

The Chairman replied that this view was understood, but the main object in view was that the ships concerned should be repaired as quickly as possible.

165. SHIPPING.

Dr KOBE referring to Minute 160 and Minute 161 of the Sub-Committee meeting of the 16th January stated that the letter (see Appx. concerning shipping had been received and would be examined, and he further considered that the owners themselves should personally make contact with the Jugoslav Military Government on all questions of privately owned ships affecting Zone B, and if not in person, by letter.

Lt.Col. BICKERSETH replied that he did not agree that the owners should personally be obliged to make contact with JMG on these matters. AMG and JMG through Joint Economic Committee were the responsible bodies for dealing with such questions between Zone A and Zone B. And in consequence it was desirable that a meeting should be held between Main Committee members to settle these points after the Jugoslav side had examined the problems and were in a position to give an answer.

After considerable discussion it was agreed that the Joint Economic Committee was solely responsible for settling matters of policy rather than detail, which was the responsibility of the Sub-Committees and Military Governments.

Dr KOBE promised to get a ruling on the ships quoted in the letter and stated that full attention would be paid to the points of International Law involved.

166. REGISTRATION OF SHIPS.

Dr KOBE asked if precautions had been taken to ensure that the registration of ships now in Zone A was not altered as the Jugoslav Governm could not accept any changes made.

The Chairman requested that this question should be submitted by letter in detail.

167. THE RETURN TO ZONE B OF SHIPPING OF THE FIUMANA AND OTHER SHIPPING SOCIETIES.

Dr KOBE requested that the return of eight ships of the Fiumana Shipping Society should be expedited. The matter had been previously raised out of Committee.

The Chairman requested that a letter should be submitted giving details.

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quickly as possible.

165. SHIPPING.

Dr KOBE referring to Minute 100 and Minute 104 of the Sub-Committee meeting of the 16th January stated that the letter (see Appx. concerning shipping had been received and would be examined, and he further considered that the owners themselves should personally make contact with the Jugoslav Military Government on all questions of privately owned ships affecting Zone B, and if not in person, by letter.

Lt.Col. BICKERSTETH replied that he did not agree that the owners should personally be obliged to make contact with JMG on these matters. MG and JMG through Joint Economic Committee were the responsible bodies for dealing with such questions between Zone A and Zone B. And in consequence it was desirable that a meeting should be held between Main Committee members to settle these points after the Jugoslav side had examined the problems and were in a position to give an answer.

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The Chairman requested that a letter should be submitted giving details.

168. TRANSFER AND SALE OF SHARES IN INDUSTRY & SHIPPING.

Dr KOBE asked if everything had been done to prevent the sale and transfer of shares as this was considered contrary to the terms of Appendix I of the Trieste Agreement. Any transfers which had taken place in Zone A would not be considered valid by the Jugoslav State, which had examined International Law on this question.

Lt.Col. BEARD replied that there was no law against the sale of shares in Zone A but the articles of companies could not be allowed to be altered. The sale of shares could not affect a Company and its registration or the ownership of its plant and facilities.

/. . . . The Chairman stated.

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168. TRANSFER AND SALE OF SHARES IN INDUSTRY & SHIPPING (Cont)

The Chairman stated that he considered this was a Financial and Legal matter and was therefore unsuitable for discussion without further examination. He asked that the Jugoslavs should submit a letter on this question.

169. ILVA.

The stocks of iron and steel at ILVA were discussed at length after previous discussion outside the Committee. Lt.Col. BICKERSTETH stated that the Jugoslav request for 3,000 tons of steel pig and 1,000 tons of iron pig was unacceptable.

Dr KOHE stated that this material was still considered War Booty by the Jugoslavs, who had allowed this material to be used in the interests of industry without prejudice to their claim, and bearing this in mind and the fact of the enormous damage suffered by JUGOSLAVIA this war, he asked that justice should be done in their request for assistance in the urgent rehabilitation of the country.

Lt.Col. BICKERSTETH replied that at no time had any obligation been accepted that the stocks at ILVA were war booty of the Jugoslavs and he considered if the present proposal could not be considered acceptable to them; the matter would have to be considered closed as all that could be done had been done to meet their desires.

It was agreed that the whole matter should be discussed outside Committee with Controprom and experts.

170. GORIZIA COTTON MILL.

Lt.Col. BICKERSTETH stated that it had been confirmed that the reason for the failure of the Gorizia Cotton Mill to accept the cotton submitted by the Jugoslavs was on the grounds of extreme poorness of quality. Technically the shortness of the fibre was not an objection, but poorness in quality, and leaf in the cotton were the cause of the difficulties.

Dr KOHE replied that this was cotton received from UNRRA, but as there were different batches which were different in quality, it was agreed that further samples should be submitted for examination. Jugoslav mills were working this cotton.

171. TRANSPORT OF CATTLE THROUGH ZONE A.

Referring to Minute 104 of the Sub-Committee meeting of 16 Jan 46 it was suggested that this question should be carefully examined by Agriculture as it was understood that an epidemic of Glanders had broken out in Zone B affecting donkeys, horses and mules. It was further agreed that some method of exchanging information on such matters should be instituted.

Dr KOHE promised to investigate the situation.

172. FOURTH MEETING FINANCE SUB-COMMITTEE.

The minutes of the fourth meeting of the Finance Sub-Committee held on 17 Jan 46 were received.

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173. THE EXCHANGE OF RUMANIAN AND HUNGARIAN

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The minutes of the fourth meeting of the Finance Sub-Committee held on 17 Jan 46 were received.

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173. THE EXCHANGE CLEARING AGREEMENT.

Lt.Col. BEARD stated that the delay in completing the arrangements was on the commercial side, but that it was hoped to finish this work during the week.

The Chairman requested that this was settled as soon as possible, as failure to do so would only cause greater hardship to individuals.

174. ITALIAN MONOPOLY STAMPS.

It was requested that the question of Italian Monopoly Stamps (see minute 31 Finance Sub-Committee of 17 Jan 46) in use in Zone B should be examined and a reply given as soon as possible.

Dr KOBE undertook to do this.

/. . . Minute No. 175.

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175. 160,000,000 LIRE TAKEN BY THE JUGOSLAVS FROM THE BANCA D'ITALIA.

Referring to Minute 34 of the Finance Sub-Committee minutes of 17 Jan 46, Dr. KOBE stated that the salaries of all State employees had been paid excepting the Police Force and not Carabinieri as stated in the Minute. Further it had been found on examination of the records that 12,000,000 lire had been given to the Trieste Hospital.

176. PAYMENT OF OUTSTANDING DEBTS BY THE JUGOSLAV GOVERNMENT.

Dr. KOBE stated that Minute 30 of the Sub-Committee Minutes of 17 Jan 46 was not quite correct and that the question of the debts incurred by the Jugoslav Army in Zone A being considered under reparations was only brought forward in discussion. Information on services supplied to the Jugoslav Army was being collected for examination and debts on which the documents were not found in order would be paid if found just.

177. DEBLOCKING OF ACCOUNTS AT BANKS.

Lt.Col. BEARD stated that he was sending a letter to the Jugoslavs on the question of accounts in ITALY of residents in Zone B. The Italian Government are not permitted to transfer currency, and Allied Commission were not in favour of advising the Italian Government to give unlimited credit to cover the liabilities of the banks in Zone B, which the head office of the banks were required to meet.

Dr KOBE asked if it was not true that the Banks in ITALY were meeting their obligations in Zone A.

Lt.Col. BEARD replied that there was no difference in treatment between Zone A and Zone B in their financial dealings with ITALY.

178. CANCELLED DINARS.

Lt.Col. BEARD asked if there was any reply to his letter requesting the transfer of the cancelled dinars of the Banca d'Italia Fiume to the Head office in ITALY.

Dr KOBE replied that an answer would be obtained as soon as possible.

179. NATIONALISATION OF BANKS, INSURANCE COMPANIES & INDUSTRIAL CONCERNS.

Lt.Col. BEARD asked for information concerning the nationalisation of Financial organisations and Industry. He stated that it was understood that nationalisation was taking place and details were required as this would affect financial relations between the two zones.

Dr. KOBE replied that banks had not been nationalised and in the case of Insurance Companies a new organisation had been formed, but the old organisations had not been liquidated. Private concerns were working as before. An answer to this question was promised in a weeks time.

180. TECHNICAL MATTERS TO BE DEALT WITH BY SUB-COMMITTEES BEFORE MAIN COMMITTEE MEETINGS. 192

The Chairman requested that all technical matters should be

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180. TECHNICAL MATTERS TO BE DEALT WITH BY SUB-COMMITTEES BEFORE MAIN COMMITTEE MEETINGS. 192

The Chairman requested that all technical matters should be exchanged between the members of the Sub-Committees of each side, as an agenda, at least a week before it was proposed to meet, so that those problems, on which an answer could not immediately be given at meetings, but required further study, could be dealt with more expeditiously.

It was agreed that technical problems to be raised should be exchanged a week before the Sub-Committees were due to meet.

181. APPLICATIONS BY BANKS IN FIUME FOR CLEARANCE OF OUTSTANDING DEBTS BETWEEN ZONE B & ITALY.

Dr KOHE stated that the banks in FIUME had written a letter to JMB requesting the deblocation of accounts in ITALY so that their liabilities could be met.

Lt.Col. BEARD replied that he had received a copy of this letter which would be forwarded.

/. . . . Minute 182.

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182. CLOSING OF THE OFFICES OF TH FORESTRY DEPARTMENTS IN GORIZIA.

Dr KOBE requested that some action should be taken over the closing of the head offices of the Forestry Department for VENEZIA GIULIA on 5 Oct 45 which were situated in GORIZIA. This office had been responsibl for all the forests in both Zones A and B and in consequence of the action taken, valuable records and money had been impounded. A protest had been lodged at AMG GORIZIA on the 9th October 1945 who had promised to form a Committee to examine the problem. Since then nothing further had been done.

Lt.Col. BICKERSTETH replied that he had no information on this matter and would the Jugoslavs provide the necessary details for examination.

183. THE NEXT MEETING.

It was agreed that the next meetings of the Joint Economic Committee should be held as follows :-

Industry & Commerce and Fuel & Power Sub-Committee - 26 FEB 46

Finance Sub-Committee - 27 FEB 46

Joint Economic Committee - 1 MARCH 46

J. R. SNYDER.
Major, DLHC.
Secretary
Joint Economic Committee.

JPS/HLC

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APPENDIX A.

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
13 CORPS

FILE REF: 13C/AMG/2c.27

SUBJECT : Ships taken from Trieste by Jugoslavs. 17 JAN 46

TO : Sec. Joint Economic Committee.

Below is the list of ships which was handed to the Jugoslav delegates on 9 August (see Minute 31 of Industry and Commerce Sub-Committee).

The return of these ships to their proper owners is urgently requested and this HQ. is being pressed for settlement of this affair.

All the above ships were removed by the Jugoslav Navy without providing the owners with proper receipt or requisition papers.

To believe the "Goffredo Mameli" has been returned.

Ships	Owner
Tank-steamer ~~"Nino Campanella"~~	- Tito Campanella, Genoa.
s.s. ~~"Turrris Gennari"~~	- U. Gennari, Pesaro
s.s. "Punta Bianca"	- La Ligure Romano, Genoa.
Tug. "Ardita"	- G. Tarabochia & Co. Trieste.
Mot.Fish.Boat "C" 4) in course of	- Bruno Bonetti & Co. Trieste.
Mot.Fish.Boat "C" 5) equipment	- " " " "
Mot.sail.vess. "Anna Z"	- Genestretti Giovenzio, Rimini per Ospedaletto.
Mot.sail.vess. "Aurelio C"	- Felisatti Aldo, Porto Garibaldi.
Mot.sail.vess. "Maria Gasperi"	- Linea Triestine per l'Oriente Trieste.
Freight-lighters n.36 & 80 (at present at Spalato)	
Coal lighters n.2 and 4 (at present at Parenzo/Istria)	
Waterlighter n.84	- Transported in the Zone B.
Motorboat n. 3	- " " " "
Tugboat "Nettuno"	- damaged Lussino, Monte Ossero.
"San Marco"	- damaged Selvore.
"Goffredo Mameli"	- Societa Garibaldi; damaged.
M/v "Istria"	- Ditta Chiozza, Trieste.
M/v "Maria Jose"	- Degrassi, Grado.

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s.s. ~~"Tuccio Gennari"~~	-	U. Gennari, Pesaro
s.s. "Punta Bianca"	-	La Ligure Romano, Genoa.
Tug. "Ardita"	-	G. Tarabochia & Co. Trieste.
Mot.Fish.Boat "C" 4) in course of	-	Bruno Bonetti & Co. Trieste.
Mot.Fish.Boat "C" 5) equipment	-	" " " "
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Freight-lighters n.36 & 80 (at present at Spalato)		
Coal lighters n.2 and 4 (at present at Parenzo/Istria)		
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Motorboat n. 3	-	" " " "
Tugboat "Nettuno"	-	damaged Lussino, Monte Ossero.
"San Marco"	-	damaged Salvore.
"Goffredo Mameli"	-	Societa Garibaldi; damaged.
M/v "Istrea"	-	Ditta Chiozza, Trieste. 190
M/v "Maria Jose"	-	Degrassi, Grado.

(Signed)
D.S. DICKERSTETH
LIEUT COLONEL
ECONOMICS.

DSD/gl.

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DISTRIBUTION

1.	CMO., AFHQ
2.	D/CMO., AFHQ
3/5	G-5., AFHQ
7	G-4, MTOUSA
8	Q (Maint)., GHQ. MF
9	Mov & Tn., AFHQ
10.	US PHLAD., AFHQ
11	RESMIN., AFHQ
12	Tn (Main)., ROME, CMF
13	GOC., 13 Corps
14/16	DA & QMG., 13 Corps
17	APM (Mov)., 13 Corps
18	Chief Commissioner, AMGOT
19	HQ., AMGOT
20/29	Economic Section, AMGOT
30	Industry & Utilities Sub-Commission, AMGOT (att. Chief, Electrical Div)
31	Industry & Utilities Sub-Commission, AMGOT (att. Coal Division)
32	Industry & Utilities Sub-Commission, AMGOT
33	Finance Sub-Commission, AMGOT
34	American Embassy, ROME
35	British Embassy, ROME
36	SCAO., AMG 13 Corps
37/38	D/SCAO., AMG 13 Corps
39	Economic Adviser, AMG 13 Corps
40	Public Relations Officer, AMG 13 Corps
41	Legal, AMG 13 Corps
42	Finance, AMG 13 Corps
43/44	Supplies, AMG 13 Corps
45	Transportation, AMG 13 Corps
46	Labour, AMG 13 Corps
47	Public Works, AMG 13 Corps.
48/67	Jugoslav Delegation
68	Commerce, AMG 13 Corps
69	Col. C.H. BENETT, EDTN, Navy House, TRIESTE
70	Capt. BARBER, AMG 13 Corps
71/100	Spares

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

HQ ACOM ROME

A057

COPY NO 19 59

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

18 January 1946

FEB 4 1946

JOINT ECONOMIC COMMITTEE - AGENDA

The tenth meeting of the Joint Economic Committee (per agreement of 20th June 1945 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Jugoslav Army), will be held at 0930 hours on SATURDAY, 19 January 1946, in the Main Conference Room, No.68, HQ. AMG. 13 Corps, TRIESTE, to consider the following Agenda:-

1. Minutes of the ninth meeting held on 8th December 1945.

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

   a) Industry & Commerce and Fuel & Power Sub-Committees meeting of 16 January 1946 (Appendix A).

   b) Finance Sub-Committee meeting of 17 January 1946. (Appendix B).

3. Any other business.

4. To set a date for the next meeting.

J. R. SNOWDEN.
Major, D.C.M.G.
Secretary
Joint Economic Committee.

188

JRS/HLC

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

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1. Minutes of the ninth meeting held on 8th December 1945.

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

   a) Industry & Commerce and Fuel & Power Sub-Committees meeting of 16 January 1946 (Appendix A).

   b) Finance Sub-Committee meeting of 17 January 1946. (Appendix B).

3. Any other business.

4. To set a date for the next meeting.

J. R. SNOWDEN.
Major, D.A.&Q.MG.
Secretary
Joint Economic Committee.

188

JRS/HLC

Attachments:

Appendices "A" and "B".

(OZ/4)

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

Appendix "A"
COPY NO 59

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

16 JAN 46.

M I N U T E S.

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

93. The ninth meeting of the Industry & Commerce Sub-Committee was held at 0900 hrs., on WEDNESDAY, 16 JAN 46, in the Economic Section, HQ AMG 13 Corps, TRIESTE. The Fuel & Power Sub-Committee was incorporated.

PRESENT:

Chairman

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

Members

Ing. DOLGAN, V.	Jugoslavia	(Industry)
Ing. KOVACIC, M.	Jugoslavia	(Industry)
Mr. JANCIGAJ, M.	Jugoslavia	(Commerce)

In attendance

Ing. SIKOSEK, D.	Electrical Expert, Jugoslavia.	

94. GORIZIA COTTON MILL.

A sample of the cotton had been submitted to the management of the mill which is at MILAN, who had stated that the mill would not be able to work the type of cotton provided. Negotiations were proceeding through CENTROPROP to see if the difficulty could be overcome.

Lt.Col. BICKERSTETH stated that, as was promised previously, he would assist if he was asked to do so and the demand made was specific. The offer of help was originally offered, when the Gorizia mill was idle, but was still considered possible even though the mill now had a fair amount of work on hand.

95. FIRM CORADO OF CAPO D'ISTRIA.

Lt.Col. BICKERSTETH stated that nothing further had been heard from the firm CORADO concerning the removal of their machinery from UDINE. In reply it was stated that this was the responsibility of the firm to make application and the matter would be examined.

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

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Chairman

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

Members

Ing. DOLGAN, V.	Jugoslavia	(Industry)
Ing. KOVACIC, M.	Jugoslavia	(Industry)
Mr. JANCIGAJ, M.	Jugoslavia	(Commerce)

In attendance

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187

96. AQUEDUCT AT VIPACCO.

Lt.Col. BICKERSTETH stated he was grateful for the reply received concerning the rehabilitation of this aqueduct.

97. REPAIRS TO TRIESTE-POL. ROAD.

A letter had been sent to the Jugoslavs concerning the return of empty barrels, as the supply of bitumen for the repair of the road had been undertaken on the basis of returning empty barrels. Unfortunately this had not been carried out and in consequence the supply had been held up. The Jugoslavs promised to examine this problem.

98. SALVAGE & REPAIR OF SHIPPING .../

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

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98. SALVAGE & REPAIR OF SHIPPING.

A letter had been sent to the Jugoslavs on the question of the salvage and repair of ships which were claimed as war booty. It was agreed that the matter should be brought up at the main Committee.

99. PELIKAN.

The Jugoslavs raised the question of the PELIKAN which had been salvaged and was being repaired by some Italians, so that she might be ultimately sold; as this vessel was claimed as War Booty could this be stopped.

In reply it was stated that the matter had been passed to the Naval Sub-Committee of the War Booty Committee for investigation.

100. SHIPS TAKEN FROM TRIESTE AT THE TIME OF THE JUGOSLAV OCCUPATION.

Information showed that during the Jugoslav occupation of TRIESTE a number of ships which were privately owned had been removed to JUGOSLAVIA, without authority or requisition. These ships were not war booty. A list of these ships would be passed to the Jugoslavs and it was asked if information could be given on this question; it was suggested that a special meeting might be arranged with the owners concerned.

101. LETTER REGARDING SHIPPING.

Lt.Col. BICKERSTETH stated that he would send a letter to the Jugoslavs giving details of the ships, over which there were still queries to be settled, so that a reply could be given on these questions.

FELICE. No further information had been received concerning this ship, over which discussions had previously taken place (see minute 48 Industry & Commerce Sub-Committee - 4 SEPT 45).

Ing. KOVACIC replied that the Navy would be asked to expedite a reply.

LIBER REX. A request had been received from ALLIED COMMISSION, ROME, concerning the pilfering from the wreck of this vessel, which, according to the owners was now amounting to serious damage. As there was much valuable material on this vessel, which could be salvaged, it was requested that arrangements should be made for the guarding of the wreck to prevent further damage.

Ing. KOVACIC stated that this was a matter for the Naval authorities and could not be dealt with at the Committee.

Lt.Col. BICKERSTETH requested that the Jugoslav Naval authorities should be informed.

ASTRA. This ship, which was scuttled by the Germans before leaving FIUME, with a gross tonnage of 5406 tons, registered in TRIESTE No.164, had been salvaged by the Jugoslav authorities and was now offered back to the owners by Cantieri di Cormaro, on consideration of payment of cost of repairs.

The owners had complained of very high charges, and it was suggested that a representative of the Jugoslavs and a representative from Zone A should meet and arbitrate in the matter.

Ing. KOVACIC replied that this would be investigated.

186

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

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The owners had complained of very high charges, and it was suggested that a representative of the Jugoslavs and a representative from Zone A should meet and arbitrate in the matter. 186

Ing. KOVACIC replied that this would be investigated.

NETTUNO & S.N MARCO. Lt.Col. BICKERSTETH drew attention to the very long time that had elapsed without any information being provided by the Jugoslav Military Government on these cases, and that the Anglo-American authorities consider that too much time has been allowed to pass without an answer to this question.

Ing. KOVACIC replied that it had been requested that the owners should apply direct to the Jugoslav Military Government, Naval Transport Section, in person, it being much better to decide mutually before taking the matter up through the Committee.

Lt.Col. BICKERSTETH agreed but stated that the question of shipping was a matter for which the respective Governments were responsible and that if the owners were not prepared to negotiate with the Jugoslav Military Government in Zone "B" that the Committee must deal with the matter. A list of the ships concerned would be provided by letter.

Ing. KOVACIC answered that a reply would be given at the main Committee meeting.

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PUNTA PLANKA. Lt.Col. BICKERSTETH requested information on the PUNTA PLANKA at the port of PAGO - the ship had been renamed PLOCE. Details were to follow by letter.

102. FLAK STOCKS.

It was agreed that this question should be dealt with by the main Committee as Dr. KOBE had been present at all the discussions.

103. TRANSIT OF GOODS THROUGH ZONE ..

The question of import and export licences was discussed.

Ing. KOVACIC pointed out that although an export licence was asked for when articles from ITALY were to be transported through Zone A, the Italian Government authorities concerned had stated that a letter from the Chamber of Commerce or a receipted bill was sufficient, and did not issue such licences. This fact tended to cause delay in the transit of materials through Zone "A". As AMG had demanded export permits from the Italian Government, could something be done to clarify the situation to prevent delay.

Lt.Col. BICKERSTETH promised to do everything to expedite the matter.

104. TRANSPORT OF CATTLE.

Ing. KOVACIC asked if permission could be granted for the transport of cattle over roads in Zone "A" in the area of TRENTA, SOC., DREZRIC., etc., as no suitable roads existed in Zone "B". A request had been given to AMG in CAPORETTO, who had referred the Jugoslavs to AMG HQ.

Lt.Col. BICKERSTETH promised to issue instructions to AMG CAPORETTO concerning this matter.

105. FUEL & POWER SUB-COMMITTEE.

There was no business to be discussed.

J.R. SNOWDEN,
Major, D.A.A.G.,
Secretary,
Joint Economic Committee.

JRS/LV7.

185

Declassified E.O. 12356 Section 3.3/NND No. 785013

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J.R. SNOWDEN,
Major, D.C.M.G.,
Secretary,
Joint Economic Committee.

JRS/LV7.

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

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

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APPENDIX B.

COPY NO.

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

17 JAN 46

JOINT ECONOMIC COMMITTEE
FINANCE SUB-COMMITTEE - MINUTES

29. The fourth meeting of the Finance Sub-Committee was held at 1430 hours, 17th January 1946, in HQ AMG 13 Corps.

PRESENT:

Chairman

Capt. H. FERGUSON, AMG 13 Corps.

Members

Ing. KOVACIC, M. - Jugoslavia.
Mr. BERLIC, S. - Jugoslavia.

In Attendance

Dr. KOBE, B. - Jugoslavia.
Ing. SEKOSAK, D. - Jugoslavia.

30. PAYMENT OF OUTSTANDING DEBTS BY THE JUGOSLAV GOVERNMENT.

The question of the payment of debts incurred by the Jugoslav authorities in Zone A was raised in a letter sent to Dr. KOBE, requesting clarification of the existing situation. Many of these accounts were being received by AMG Finance Division and largely consisted of bills for materials requisitioned at the time of the Jugoslav Army's occupation.

Dr. KOBE replied that all outstanding bills have been paid excepting a few over which there was some doubt. Materials requisitioned by the Jugoslav Army had been covered in all cases by a properly issued receipt for the goods concerned and would have to be treated, when the questi of reparations was discussed; these cases had been recorded.

It was mutually agreed that all cases that had been received by AMG should be sent to the Jugoslavs for examination and that outstanding debts not affected by reparations, should be paid through the clearing agreement.

It was further agreed that another article should be published in the papers drawing attention to the fact that the Jugoslavs intended to consider debts incurred by their Army during the period of occupation, as reparations and that receipts should be kept so that they could be produced at a later date as evidence of the transactions.

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31. ITALIAN MONOPOLY STAMPS.

No reply was available to the question of Italian monopoly stamps which were in use in Zone B and which raised the possibility of black market

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PRESENT:

Chairman

Capt. H. FARMBOND, AMG 13 Corps.

Members

Ing. KOVACIC, M. - Jugoslavia.
Mr. BERLIC, S. - Jugoslavia.

In Attendance

Dr. KOBE, B. - Jugoslavia.
Ing. SINOSIC, D. - Jugoslavia.

30. PAYMENT OF OUTSTANDING DEBTS BY THE JUGOSLAV GOVERNMENT.

The question of the payment of debts incurred by the Jugoslav authorities in Zone A was raised in a letter sent to Dr. KOBE, requesting clarification of the existing situation. Many of these accounts were being received by AMG Finance Division and largely consisted of bills for materials requisitioned at the time of the Jugoslav Army's occupation.

Dr. KOBE replied that all outstanding bills have been paid excepting a few over which there was some doubt. Materials requisitioned by the Jugoslav Army had been covered in all cases by a properly issued receipt for the goods concerned and would have to be treated, when the questi of reparations was discussed; these cases had been recorded.

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It was further agreed that another article should be published in the papers drawing attention to the fact that the Jugoslavs intended to consider debts incurred by their Army during the period of occupation, as reparations and that receipts should be kept so that they could be produced at a later date as evidence of the transactions.

183

31. ITALIAN MONOPOLY STAMPS.

No reply was available to the question of Italian monopoly stamps which were in use in Zone B and which raised the possibility of black market operations, because the letter concerning this matter had not yet been received by the Jugoslavs.

32. THE EXCHANGE CLEARING AGREEMENT.

There were no further developments to be reported, on the date when this agreement would be ready for signature. The arrangements were now in the hands of the Economic and Commerce Divisions and it was hoped that they would have completed the organisation of the Commercial Section within the ne few days.

..

33. DEBLOCKING OF ACCOUNTS AT BANKS .../

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

33. DEBLOCKING OF ACCOUNTS AT BANKS.

The Jugoslav representatives asked if any reply had yet been received from Allied Commission concerning the payment of money owing to persons and organisations in Zone A who had accounts and credits in Zone A and ITALY, and was it possible to state whether a positive answer could be expected.

Capt. FARRINGND replied that no answer had yet been received but that a request would be made to expedite the reply.

34. THE QUESTION OF 160,000,000 LIRE TAKEN BY THE JUGOSLAVS FROM THE BANKA D'ITALIA.

The Jugoslav representative stated that in reply to the letter received on this question, the 160,000,000 lire had been drawn in cash from the State Treasury Account at the Banka d'Italia for the payment of salaries of state employees in TRIESTE, excepting the Carabinieri. Records were held of exactly how the amount had been spent and it had been drawn from a total balance of 540,000,000 lire, which had been standing in that account. The payment had been made by Jugoslav authorities and was in no way connected with the Jugoslav State Bank, which had been solely responsible for passing the money to the authorities concerned. No discrimination of any sort had been made in these payments.

Capt. FARRINGND asked the Jugoslavs to write a letter to AMG explaining the situation.

35. 1,337,657,020 CANCELLED DINARS.

Mr. BERLIC stated that AMG had asked for information concerning the removal to Italy of the 1,337,657,020 cancelled dinar, which had been held in the Bank of Italy in FIUME and it was understood that these notes had been burnt or milled into new paper. It was asked for what reason this information was desired.

Capt. FARRINGND replied that AMG was acting on behalf of the Banka d'Italia in this question and asked for confirmation that these were held so that they could be used to support any claims arising through reparations. Colonel BAIRD had requested that a letter should be sent to AMG giving a specific answer to the question asked in his letter of 12 NOV on the subject, so that it could be passed to higher authorities for their information.

36. BRANCH CREDITS HELD AT THE CASSA DI RISPARMIO POL..

Mr. BERLIC raised the question of credit balances held for branches of the Cassa di Risparmio Polo in ISTRIA:

at PIRANO	-	[illegible],447,607.92
ISOLA	-	[illegible],234,000 approx.
COPRA	-	[illegible],251,000 "

and asked if arrangements could be made to pay these amounts to the branches concerned as they represented the savings of many of the small holders.

Dr. KOSE considered that this would be possible under the [illegible] and accounts between ZONES A and B;

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

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ISOLA	-	[illegible],234,000	approx.
CORRA	-	11,231,000	"

and asked if arrangements could be made to pay these amounts to the branches concerned as they represented the savings of many of the small holders.

Dr. KOHE considered that this would be possible under the arrangements for the deblocking of accounts between Zones A and B; if necessary under licence as already agreed in Minute 110 of the main Committee.

Capt. FAIRFIELD asked if a letter could be submitted to AMG giving all details so that the matter could be investigated.

Dr. KOHE asked if this could be expedited.

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

JRS/LWW.

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

Economic Section
AFHQ
Rome

4050 S1

Copy No. 21.

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

8 December 1945

DEC 17 1945

MINUTES

132. The ninth meeting of the Joint Economic Committee was held at 0900 hours, 8 December 1945, in the Main Conference Room at HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman.

Brigadier W.H. RITCHIE, CBE,
DA & QMG 13 Corps.

Members

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

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

Major AYERS,
Q Mov., 13 Corps.

Major J.E. FOREN,
Industry & Utilities,
AMG 13 Corps.

Capt. H. FARRIMOND,
Finance, AMG 13 Corps.

Dr. B. KOBE,
Chief of Jugoslav Delegation.

Mr. J. PEROVIC,
Commerce, Jugoslavia.

Ing. M. DOLGAN,
Industry, Jugoslavia.

Ing. D. SIMOSEK,
Electricity, Jugoslavia.

Ing. M. KOVACIC,
Industry, Jugoslavia.

Mr. S. BENLIC,
Finance, Jugoslavia.

In Attendance

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

Major REID-SCOTT,
G Ops, 13 Corps.

Mr. F. URSICIC,
Commercial Transport,
Jugoslavia.

Major GOLOB.

See m. 53.

133. EIGHTH MEETING JOINT ECONOMIC COMMITTEE.

The minutes of the eighth meeting held on 8 November 1945 were received.

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134. TOURIST AGENCIES.

Declassified E.O. 12356 Section 3.3/NND 785017

Chairman.

Brigadier W.H. RITCHIE, CBE,
DA & QMG 13 Corps.

Members

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

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

Major AYERS
Q Mov., 13 Corps.

Major J.E. PODEN,
Industry & Utilities,
AMG 13 Corps.

Capt. H. FARRIMOND,
Finance, AMG 13 Corps.

Dr. B. KOBE,
Chief of Jugoslav Delegation.

Mr. J. PEROVIC,
Commerce, Jugoslavia.

Ing. M. DOLGAN,
Industry, Jugoslavia.

Ing. D. SIKOSEK,
Electricity, Jugoslavia.

Ing. M. KOVACIC,
Industry, Jugoslavia.

Mr. S. BERLIC,
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In Attendance

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Public Works, AMG 13 Corps.

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Jugoslavia.

Major GOLOB.

See m. 53.

133. EIGHTH MEETING JOINT ECONOMIC COMMITTEE.

The minutes of the eighth meeting held on 8 November 1945 were received.

182

134. TOURIST AGENCIES.

Dr. KOBE stated that the Jugoslavs were not satisfied with the reply from AFHQ that a Tourist Agency could not be opened in Trieste to represent Jugoslavia, and further did not consider that this reply was within the normal understanding of democratic principles.

The Chairman replied that if they were not satisfied with the answer the question should be referred through their Government channels.

135. TIMBER.

Attention of the Committee was drawn to the fact that the prices had now been agreed and the first deliveries made.

136. GORIZIA-AUZZA RAILWAY LINE.

It was announced that this line was now open as far as Cavale d'Isonzo.

137. TRIESTE-POLA ROAD..../

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

137. TRIESTE-P[illegible] ROAD.

It was agreed that the situation regarding the repair of the TRIESTE-POLA road was at present satisfactory and arrangements had been made for the supply of bitumen.

138. CLOSING OF SLOVENE BANK AT GORIZIA.

Dr. KOBE stated that a letter had been sent to the Chief Finance Officer, AMG 13 Corps, concerning the closing of the Slovene Bank at Gorizia. The bank was now closed and it had been agreed to recognise the BANCA AGRICOLA as a suitable institution. Could a statement be sent to the Jugoslavs on the closing of the Slovene Bank. This was promised.

139. THE UNBLOCKING OF BANK ACCOUNTS IN ZONES "A" AND "B".

Dr. KOBE disclosed that accounts of persons in Zone "B" were still blocked in Zone "A" and that recently when attempts had been made to obtain a licence from the Banca d'Italia to pay an account for electricity, which was outstanding, to SAVEG, this was refused and the Jugoslavs had been informed that this was not permitted.

Capt. FARRIMOND replied that the banks had been instructed to apply for licenses to the Chief Finance Officer, AMG 13 Corps, as had been agreed at the last meeting, and that all persons resident in Zone "B" who had accounts in Zone "A" of 50,000 lire or less, were now permitted to draw without restrictions. Capt. FARRIMOND promised to investigate the reason for the failure of the banks to comply with the instructions, and to see that this was rectified.

140. MEETING OF OBLIGATION OF INSURANCE COMPANIES.

Capt. FARRIMOND referring to Minute 111 of the eighth meeting of the Joint Economic Committee of 9th November, stated that difficulty was being experienced in obtaining documents from a branch of the Previdenza Sociale at Capo d'Istria, concerning people in Pola, from the Jugoslav authorities. He felt that if this could be arranged the whole question could be settled satisfactorily.

It was agreed that this should be dealt with between Lt.Col. OSBLN and Mr. UBSISIC.

141. REBUILDING OF DAMAGED HOUSES IN ZONE "A".

Dr. KOBE asked what progress was being made in the rebuilding of damaged or destroyed houses in villages such as Riefenberg. In reply it was stated that some difficulty was being experienced in obtaining [illegible] materials such as timber, but that the scheme was going ahead.

142. SLOVENE AUTHORSHIP ROYALTIES.

Dr. KOBE stated that the reply to this question was not very satisfactory but had been duly noted.

143. HARD COAL IN LOCOMOTIVES IN ZONE "B".

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to the Jugoslavs on the closing of the Slovene Bank. This was promised.

139. THE UNBLOCKING OF BANK ACCOUNTS IN ZONES "A" AND "B".

Dr. KOBE disclosed that accounts of persons in Zone "B" were still blocked in Zone "A" and that recently when attempts had been made to obtain a licence from the Banca d'Italia to pay an account for electricity, which was outstanding, to SELVEG, this was refused and the Jugoslavs had been informed that this was not permitted.

Capt. FARRIMOND replied that the banks had been instructed to apply for licenses to the Chief Finance Officer, ANG 13 Corps, as had been agreed at the last meeting, and that all persons resident in Zone "B" who had accounts in Zone "A" of 50,000 lire or less, were now permitted to draw without restrictions. Capt. FARRIMOND promised to investigate the reason for the failure of the banks to comply with the instructions, and to see that this was rectified.

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It was agreed that this should be dealt with between Lt.Col. OSMAN and Mr. URSISIC.

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142. SLOVENE AUTHORSHIP ROYALTIES.

Dr. KOBE stated that the reply to this question was not very satisfactory but had been duly noted.

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143. HARD COAL IN LOCOMOTIVES IN ZONE "B".

Dr. KOBE asked if there had been any change in the Anglo-American policy on the supply of hard coal for locomotives in Zone "B".

The Chairman replied that there was no change.

144. SHIP "S.M. MARCO".

Lt.Col. BICKERSTETH asked if there was any reply to the question of the salvage of the ship "S.M. MARCO".

Dr. KOBE said that it now remained for the owners of the vessel to contact Major GOLOB at the Jugoslav Military Government HQ so that arrangements could be made, it being the responsibility of the Jugoslav Military Government as the ship was lying in Zone "B".

145. CANCELLATION OF MILITARY TRAIN TRIESTE-POLA..../

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145. CANCELLATION OF MILITARY TRAIN TRIESTE-POLA.

Col. BARNETT drew the attention of the Jugoslav Delegation to the fact that no reply had yet been received by the Joint Operating Committee on the re-opening of the military train service from TRIESTE to POLA.

Dr. KOBE replied that the facts remained unchanged.

146. EIGHTH MEETING FUEL & POWER AND INDUSTRY & COMMERCE SUB-COMMITTEES.

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

147. THE QUESTION OF THE USE OF PIG IRON FROM ILVA.

Dr. KOBE stated that as this material was claimed as war booty, it was felt that it was outside the scope of this Committee and that a plan for handling these materials should be submitted to the War Booty Committee as a proposal. It was promised that a scheme would be submitted between meetings containing the Jugoslav views. In the meantime it was proposed in principle that 1/3 of the stocks at ILVA should remain in Trieste to ensure the work of the factory and a living for the labourers, 1/3 should be sent to Jugoslavia and 1/3 to Italy.

The Chairman replied that it was by no means certain that these stocks of material were in fact war booty and that, in consequence, no discussion on the disposal of the stocks concerned could be connected with the War Booty Committee. The Anglo-American Governments held a trust for this area on behalf of Jugoslavia and Italy and therefore economic considerations must be placed first with a view to the re-building of Europe; in consequence the settlement was in reality a financial question.

Dr. KOBE agreed that the economic problems should be settled and that the final question was financial. It was therefore agreed that the Jugoslav proposal should contain a financial plan to cover this situation and should be submitted to the Economic Section, AMG 13 Corps, between meetings.

148. COTTON MILL AT GORIZIA.

It was suggested that a conference should be held between the Jugoslavs, AMG and the management of the Gorizia cotton mill to finally settle the quantities that could be handled and to arrange the contract.

Dr. KOBE asked if Lt.Col. BICKERSTETH could assist in making arrangements for the cotton mill at Udine to do some work for the Jugoslavs.

Lt.Col. BICKERSTETH replied that he would assist in these arrangements.

149. ELECTRICITY.

Ing. SIKOSEK stated that the Jugoslav authorities were concerned that the frequency and voltage of the power supplied to Zone "B" might not be maintained. Further could steps be taken to prevent power being cut off from the area mines which had in fact happened on one occasion recently.

Major POREN replied that GHQ were dealing entirely with the electricity problem and that although Venezia Giulia was being considered

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Dr. KOBE stated that as this material was claimed as war booty, it was felt that it was outside the scope of this Committee and that a plan for handling these materials should be submitted to the War Booty Committee as a proposal. It was promised that a scheme would be submitted between meetings containing the Jugoslav views. In the meantime it was proposed in principle that 1/3 of the stocks at ILV.. should remain in Trieste to ensure the work of the factory and a living for the labourers, 1/3 should be sent to Jugoslavia and 1/3 to Italy.

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Dr. KOBE agreed that the economic problems should be settled and that the final question was financial. It was therefore agreed that the Jugoslav proposal should contain a financial plan to cover this situation and should be submitted to the Economic Section, AMG 13 Corps, between meetings.

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Ing. SINCIC stated that the Jugoslav authorities were concerned that the frequency and voltage of the power supplied to Zone "B" might not be maintained. Further could steps be taken to prevent power being cut off from the Arsa mines which had in fact happened on one occasion recently.

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Major FORBES replied that GHQ were dealing entirely with the electricity problem and that although Venezia Giulia was being considered more sympathetically than the rest of Italy, there was no possibility of making any guarantee. At the moment Venezia Giulia had power for 24 hours each day. It was not possible to guarantee that Arsa would not be cut off, there was a local emergency supply designed to cover such contingencies which it was understood was being reinstated.

150. THIRD MEETING FINANCE SUB-COMMITTEE.

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

151. FINANCE ..../

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151. FINANCE.

Dr. KOBE stated that the Jugoslavs were not satisfied with the proposed draft of the Agreement for the exchange clearing accounts between Zone "A" and Zone "B" Venezia Giulia.

It was therefore decided that a letter should be sent to the Chief Finance Officer, AMG 13 Corps by the Jugoslavs on the points involved and that a Finance Sub-Committee meeting should be held between meetings to go into the question in detail.

152. FIRM CORADO OF CAPO D'ISTRIA.

Dr. KOBE stated that this concern sent its distillation plant to the Province of Bologna during the war. It had now been returned as far as Castions di Strada, Udine Province, and the firm had approached the Jugoslav authorities to obtain permission from AMG for its return to them.

Lt.Col. BICKERSTETH replied that he could foresee no difficulties if the details were sent to AMG and the concern used their own transport.

153. GORIZIA-POSTOJNA BUS SERVICE.

The bus service organised through the firm of Ribi had been approved by the Jugoslav authorities but they were unable to produce the twelve tires as had been agreed previously.

154. THE REMOVAL OF MACHINERY FROM THE FIRM OF OMAN.

Dr. KOBE stated that it was understood that the firm of OMAN was intending to remove machinery from their factory to Italy, this could not be permitted under Appendix I to the Trieste Agreement.

Lt.Col. BICKERSTETH replied that he would deal with this matter.

155. SEARCHING OF CIVILIANS ON POLA-TRIESTE BUSES.

Attention was drawn to the fact that civilian passengers were being searched at unauthorised points in Zone "B" on the Pola-Trieste bus service.

The Jugoslavs had been informed of this and steps were being taken to stop this practice.

156. AQUEDUCT AT VIPACCO.

Lt.Col. BICKERSTETH stated that he had received information from Gorizia that an aqueduct controlled by the Consorzio Idrico della Valle di Vipacco with its source at Montegrino had ceased to operate since May. As this supply was considered necessary both for Zone "A" at Gorizia and Zone "B" at Boccavizza and San Pietro. Would the Jugoslavs arrange to examine this case; and any assistance that could be provided would be given by AMG.

Major GOLOB requested details.

157. SHIPMENT OF BAUXITE FROM ZONE "B".

Lt.Col. BICKERSTETH asked the Jugoslav representatives if they could meet the management of Societa Anonima Mineraria Triestina, a Canadian controlled concern who had large quantities of Bauxite above ground at their mines in Zone "B" and had been unable to arrange transport

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Jugoslav authorities to obtain permission from AMG for its return to them.

Lt.Col. BICKERSTETH replied that he could foresee no difficulties if the details were sent to AMG and the concern used their own transport.

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He also drew attention to a similar situation regarding above-ground coal stocks at Arsa. He pointed out that in law above ground stocks of mined materials were considered the property of the Company concerned, and if this point was not settled complications might arise.

Dr. KOBE replied that it was not understood why the firms concerned did not visit the Jugoslav Military Government to discuss such matters and that the Jugoslavs had been unaware who were the legal owners of the Bauxite and coal.

158. DATE OF NEXT MEETING .../

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158. DATE OF NEXT MEETING.

It was agreed that the next meetings would be held as follows :-

Fuel & Power and Industry & Commerce Sub-Committees	-	0900 hrs., 15 JAN 46.
Finance Sub-Committee	-	0900 hrs., 16 JAN 46.
Joint Economic Committee	-	0930 hrs., 19 JAN 46.

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

JRS/LVW.

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J.R. SNOWDEN,
Major, D.C.M.G,
Secretary,
Joint Economic Committee.

JRS/LVW.

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9. Nov & Tn., ...
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11. RAAF(I), ..FH..
12. Tn (Main), RC..., CMF.
13. GOC., 13 Corps.
14/16. D. & ...G., 13 Corps.
17. ...G (Nov), 13 Corps.
18. Chief Commissioner, ..LCC..
19. ..L ..LCC..
20/29. Economic Section, ..LCC..
30. Industry & Utilities Sub-Commission, ..LCC..
(att: Chief, Electrical Div).
31. Industry & Utilities Sub-Commission, ..LCC..
(att: Coal Division)
32. Industry & Utilities Sub-Commission, ..LCC..
33. Finance Sub-Commission, ..LCC..
34. ..merican Embassy, ..CMF..
35. British Embassy, ..CMF..
36. SC.O, ..HQ 13 Corps.
37/38. D/SC.O, ..HQ 13 Corps.
39. Economic Advisor, ..HQ 13 Corps.
40. Public Relations Officer, ..HQ 13 Corps.
41. Legal, ..HQ 13 Corps.
42. Finance, ..HQ 13 Corps.
43/44. Supplies, ..HQ 13 Corps.
45. Transportation, ..HQ 13 Corps.
46. Labour, ..HQ 13 Corps.
47. Public Works, ..HQ 13 Corps.
48/67. Yugoslav Delegation.
68. Commerce, ..HQ 13 Corps.
69. Col. C.M. B...T, DDTH, Navy Hse, TRI...L.
70. Capt. R.P.W.R, ..HQ 13 Corps.
71/100. Spares.

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7. G-[illegible], MTOUSA.
8. [illegible] (Maint), G.H.Q, CMF.
9. Mov & Tn., [illegible].
10. US [illegible], [illegible].
11. R.A.F.[illegible], [illegible].
12. Tn (Main), RC[illegible], CMF.
13. GOC., 13 Corps.
14/16. D. & [illegible]., 13 Corps.
17. [illegible]JG (Mov), 13 Corps.
18. Chief Commissioner, [illegible]LCC.
19. [illegible], [illegible]LCC.
20/29. Economic Section, [illegible]LCC.
30. Industry & Utilities Sub-Commission, [illegible]LCC.
(att: Chief, Electrical Div).
31. Industry & Utilities Sub-Commission, [illegible]LCC.
(att: Coal Division)
32. Industry & Utilities Sub-Commission, [illegible]LCC.
33. Finance Sub-Commission, [illegible]LCC.
34. [illegible]merican Embassy, ROME.
35. British Embassy, ROME.
36. SCAO, [illegible]G 13 Corps.
37/38. D/SCAO, [illegible]G 13 Corps.
39. Economic Adviser, [illegible]G 13 Corps.
40. Public Relations Officer, [illegible]G 13 Corps.
41. Legal, [illegible]G 13 Corps.
42. Finance, [illegible]G 13 Corps.
43/44. Supplies, [illegible]G 13 Corps.
45. Transportation, [illegible]G 13 Corps.
46. Labour, [illegible]G 13 Corps.
47. Public Works, [illegible]G 13 Corps.
48/67. Jugoslav Delegation.
68. Commerce, [illegible]G 13 Corps.
69. Col. C.H. B[illegible]. T, DDT[illegible], Navy Hse, TRIESTE.
70. Capt. R.[illegible]R, [illegible]G 13 Corps.
71/100. Spares.

——o.o——

Economic Section
AFHQ
Rome.

COPY NO. 21

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

7 December 1945.

JOINT ECONOMIC COMMITTEE - AGENDA.

The ninth meeting of the Joint Economic Committee (per agreement of 20 June 1945 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Jugoslav Army, will be held at 0900 hours on SATURDAY, 8th December 1945, in the Main Conference Room, No.66, HQ. ANG. 13 Corps, TRIESTE, to consider the following Agenda :-

1. Minutes of the eighth meeting held on 9 November 1945.

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

   a) Industry & Commerce and Fuel & Power Sub-Committees meeting of 4 December 1945. (Appendix A)

   b) Finance Sub-Committee meeting of 5 December 1945. (Appendix B)

3. Any other business.

4. To set a date for the next meeting.

J.R. SNOWDEN,
Major, D.A.G.,
Secretary,
Joint Economic Committee.

JRS/LWW

Attachments:

Appendices "A" and "B".

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The ninth meeting of the Joint Economic Committee (per agreement of 20 June 1945 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Jugoslav Army, will be held at 0900 hours on SATURDAY, 8th December 1945, in the Main Conference Room, No.68, HQ. AMG. 13 Corps, TRIESTE, to consider the following Agenda :-

1. Minutes of the eighth meeting held on 9 November 1945.

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

   a) Industry & Commerce and Fuel & Power Sub-Committees meeting of 4 December 1945. (Appendix A)

   b) Finance Sub-Committee meeting of 5 December 1945. (Appendix B)

3. Any other business.

4. To set a date for the next meeting.

J.R. SNOWDEN,
Major, D.L.&.G,
Secretary,
Joint Economic Committee.

JRS/LWW

Attachments:

Appendices "A" and "B".

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APPENDIX "A".

Copy No.....

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

4 December 1945.

MINUTES

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

82. The eighth meeting of the Industry & Commerce Sub-Committee was held at 0900 hours on TUESDAY, 4 DECEMBER 1945, in the Economic Section Conference Room at HQ AMG XIII Corps, TRIESTE. The Fuel & Power Sub-Committee was incorporated for this meeting.

PRESENT:

Chairman

Lt.Col. D.S. RICHERSETH
AMG XIII Corps

Members

Major J.E. FORBES, AMG XIII Corps.
ING. PEROVIC, J. Jugoslavia (Commerce)
ING. DOLGAN, M. Jugoslavia (Industry)
ING. KOVACIC, M. Jugoslavia (Industry)

In Attendance

ING. SIKOSEK, D. Electrical Expert, Jugoslavia.
Major GOLOB, K. Transportation Expert, Jugoslavia.

83. STOCKS AT ILVA.

Lt.Col. RICHERSETH made the following statement :-

"1. Before we commence this meeting today I have a statement to make with regard to the stocks at ILVA. On 17 November a letter was sent by AMG to the War Booty Committee, reading as follows :-

"The Yugoslavs have claimed the stocks at ILVA as War Booty and have requested us to prevent removal of these.

As these stocks are a matter subject to dispute on a legal basis, we propose to remove the restrictions which have temporarily been placed on them and permit their export to other branches of the concern in Italy.

For your information : at a meeting of the Joint Economic Committee, on the 6th September 1945, the Chairman stated that he was prepared to recommend that for pig iron sent into

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was held at 0900 hours on TUESDAY, 4 DECEMBER 1945, in the Economic Section Conference Room at HQ AMG XIII Corps, TRIESTE. The Fuel & Power Sub-Committee was incorporated for this meeting.

PRESENT:

Chairman

Lt.Col. D.S. RICHERSTETH
AMG XIII Corps.

Members

Major J.E. POREN, AMG XIII Corps.
ING. PEKOVIC, J. Jugoslavia (Commerce)
ING. DOLGAN, M. Jugoslavia (Industry)
ING. KOVACIC, A. Jugoslavia (Industry)

In Attendance

ING. SIKOSEK, D. Electrical Expert, Jugoslavia.
Major GOLOB, R. Transportation Expert, Jugoslavia.

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As these stocks are a matter subject to dispute on a legal basis, we propose to remove the restrictions which have temporarily been placed on them and permit their export to other branches of the concern in Italy.

For your information : at a meeting of the Joint Economic Committee, on the 6th September 1945, the Chairman stated that he was prepared to recommend that for pig iron sent into Italy from the ILVA factory, an equivalent amount of steel would be returned to this territory for equal distribution between the zones occupied by the Jugoslav and Anglo-American forces respectively.

It is submitted therefore that economic advantage will be gained both by the Jugoslav and Anglo-American authorities by the granting of this release since otherwise the pig iron must remain blocked and unused for an indefinite period.

Full record will be kept of the quantities so exported for examination at a later date".

2. This was submitted in turn by the Secretariat, War Booty Committee, to the Jugoslav Delegation, and reply was received as follows:-

The Jugoslav War Booty Committee...../

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"The Jugoslav War Booty Committee are still claiming the stocks at ILVA as war booty and requesting you to prevent removal of these.

As these stocks are a matter subject to dispute on a legal basis, we still insist on the restrictions which are being placed on them.

Being a special Commission dealing with war booty, we cannot be prejudiced in our work by viewpoints of the Joint Economic Committee in this respect.

Therefore we still insist upon blocking of the pig iron in question".

3. The reply of the Jugoslav Delegation is unsatisfactory. The pig iron in question is urgently required for the rehabilitation of Europe and it is submitted that no considerations should be allowed to interfere with the repair of war damage in Europe. Refusal to permit this pig iron to go to Italy to be used in the production of steel will involve sea-borne imports to Italy sponsored by the Allies. This will involve the use of shipping space which the release of the ILVA stocks at Trieste would avoid, and also place a burden on the British and American Governments which is unjustified.

4. We would ask you, therefore, to re-examine the situation in the light of what has been said above as we must now lift these restrictions in any case and would much prefer to do so with your concurrence. We fully appreciate that you will agree to the lifting of this block at some inconvenience to yourselves. May we, however, at the same time, remind you of the very great sacrifices which have been made by the American and British peoples at home who have endured a further cut in rations to the lowest scales ever in order to fulfil their obligations to assist to the maximum possible in the relief of Europe.

5. I appreciate you will wish to have some time to discuss this matter and therefore ask you to let me have your reply at the general meeting on Saturday".

84. <u>OLIVE OIL IN EXCHANGE FOR FISHING TACKLE.</u>

Lt.Col. BIGELEISEN drew the attention of the Committee to 1-ton of Olive Oil which had come from Zara by ship to be exchanged for fishing tackle. This oil had been impounded, trading of this type not being permitted. It was further pointed out that fishing tackle was in short supply in this zone and could not be traded; in any case, UNRRA supplies to Jugoslavia contained fishing tackle.

Major COLOB stated that this was black market from the Jugoslav view-point, olive oil being rationed in zone "B". He requested that the name and number of the ship concerned and full details should be provided so that they might take action on the matter.

He further suggested that economic control as well as police methods were necessary to prevent black market transactions.

85. <u>TRADING BETWEEN ZONES.</u>

The Jugoslav Delegation asked if as in the example of the

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It is submitted that no considerations should be allowed to interfere with the repair of war damage in Europe. Refusal to permit this pig iron to go to Italy to be used in the production of steel will involve sea-borne imports to Italy sponsored by the Allies. This will involve the use of shipping space which the release of the ELW. stocks at Trieste would avoid, and also place a burden on the British and American Governments which is unjustified.

4. We would ask you, therefore, to re-examine the situation in the light of what has been said above as we must now lift these restrictions in any case and would much prefer to do so with your concurrence. We fully appreciate that you will agree to the lifting of this block at some inconvenience to yourselves. May we, however, at the same time, remind you of the very great sacrifices which have been made by the American and British peoples at home who have endured a further cut in rations to the lowest scales ever in order to fulfil their obligations to assist to the maximum possible in the relief of Europe.

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He further suggested that economic control as well as police methods were necessary to prevent black market transactions.

85. TRADING BETWEEN ZONES.

The Jugoslav Delegation asked if as in the example of the fishing tackle all commodities imported into zone "." were only for zone ".", trade would be impossible between the two zones.

In reply it was stated that fishing tackle for Jugoslavia was provided by UNRRA and therefore no part of the limited supplies could be spared from zone ".". The Northern Italy Industrial Council releases items for use in zone "." only and these are not available for re-export. Only surpluses from zone "." and what is produced for export from zone "." and articles that are surplus from Italy can be exported to Jugoslavia in trade. Articles such as food are not surplus, are strictly controlled and are not available for export.

It was further demonstrated that Trieste's principal function was to provide services and port facilities. It also had engineering works capable of producing bridges and small ships etc. Zone "." was not a producer of raw materials.

In reply ..../

In reply Major COLOB stated that he would be interested to receive a list of articles and services produced by zone "A" and suitable for export, but that the Jugoslavs were not really interested in services but required materials; for example, electrical equipment and machinery. In reply it was suggested that enquiries should be made through A.C for materials that were required, this probably being the simplest method of negotiating for materials both from zone "A" and from Italy.

86. DELAY IN THE ISSUE OF LICENCES.

Major COLOB complained of the delay in the issue of licenses for the purchases of materials in zone "A" and Italy.

Lt.Col. BICKERSTETH replied that if there are any cases of obstruction he should be informed at once so that the procedure could be speeded up.

87. MILLING AT FOLA.

So far milling of grain had not commenced, supplies not having arrived through UNRRA.

The Jugoslavs promised to inform Lt.Col. BICKERSTETH when they were ready to commence.

88. TUG BOAT "NETTUNO".

The question of the salvage of the tug "Nettuno" now stranded on the Island of Lussino was raised. The Linee Triestine per l'Oriente had requested that permission should be granted to the Piccini shipbuilding yards at Lussinpiccolo to start salvage work so that the tug could be towed to Trieste for repairs. The tug now lies in Jugoslav waters.

It was requested that a copy of the letter should be sent to the Jugoslav authorities for their inspection and decision.

89. GORIZIA COTTON MILL.

It was necessary for AMG to have the Jugoslav programme of production as they controlled the cotton imports and it would be necessary to fit in the Jugoslav plans.

The Jugoslavs stated that it might be necessary for AMG to assist them in obtaining the necessary permission from UNRRA. Further it was not considered that the Gorizia mill could deal with all the work which was likely to be available and would it therefore be possible to use the cotton mill in Udine.

Lt.Col. BICKERSTETH replied that AMG would be able to give the necessary assistance in obtaining UNRRA's permission for the processing of cotton at Gorizia and he saw no objection in using the mill at Udine except the question of fuel supply and arrangements would have to be made with the Committees in Italy.

The Jugoslavs promised to supply the necessary fuel if arrangements could be made and would give the necessary information on the quantity of work likely to overflow from the Gorizia mill.

90. VASELINE.

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should be informed at once so that the procedure could be speeded up.

87. MILLING AT POLA.

So far milling of grain had not commenced, supplies not having arrived through UNRRA.

The Jugoslavs promised to inform Lt.Col. BICKERSTETH when they were ready to commence.

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The Jugoslavs promised to supply the necessary fuel if arrangements could be made and would give the necessary information on the quantity of work likely to overflow from the Gorizia mill.

90. VASELINE.

Lt.Col. BICKERSTETH stated that the whole question of this transaction had been extremely complicated, but that one consignment had been released and investigations on the matter were continuing.

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91. EXPLOSIVE.

The bill had been sent to Lubiana and a reply was awaited on the agreement on price.

92.../

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92. ELECTRICITY.

Major FODEN stated that Ing. SIKOSEK was fully informed concerning the situation caused by the drying up of the rivers in Italy and the necessity for the cutting of consumption of electric power.

It was necessary that the plan for conservation of the use of energy should be the same in Venezia Giulia as in the rest of Italy and the Chief Engineer, 13 Corps, had been instructed to work out a rationing scheme similar to that in West Italy.

Owing to the peculiar position at Venezia Giulia it had been requested that particular attention should be paid to the needs of zone "B". Owing to the fact that the power feeder cuts in areas supplied by the Adriatica Electric Company, which included Venezia Giulia, were controlled from Italy so that cuts in power for corresponding periods of morning and afternoon on the west and east coasts should be the same, the position might be affected in zones "A" and "B".

It was hoped that arrangements might be made to keep the power on all the time so that it would be possible to organise the cuts in this zone as required to suit the situation. The scheme should be completed this week.

Ing. SIKOSEK stated that he hoped that their cut of 70,000 KWH and a cut of 30% in the whole territory would be sufficient without cutting the power for any part of the 24 hours.

Major FODEN replied that it was our intention to avoid complete suspension of the supply of power from Venezia Giulia for definite periods during the 24 hours and the rationing scheme being prepared would have this as its object.

It was agreed that any technical points should be discussed by Ing. SIKOSEK and Major FODEN.

J.R. SNODEN,
Major, D.A.Q.G.,
Secretary,
Joint Economic Committee.

JRS/LVW

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It was agreed that any technical points should be discussed by Ing. SIKOSEK and Major FORD.

J.R. SNOWDEN,
Major, D.S.O.,
Secretary,
Joint Economic Committee.

JRS/LVW

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APPENDIX "B"

Copy No . . . . .

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

JOINT ECONOMIC COMMITTEE
FINANCE SUB-COMMITTEE - MINUTES

26. The third meeting of the Finance Sub-Committee was held at 0900 hrs 5th December 1945, in Hq., AMG, XIII Corps.

PRESENT:

Chairman

Capt. H. RAYMOND
C.F.O., AMG 13 Corps.

Members

Ing. KOVACIC, M - Jugoslavia
Mr. BARLIC, S. - Jugoslavia

In Attendance

Dr KOBE, B - Jugoslavia
Mr DOMENEM, L. - Jugoslavia
Dr Ing. KOVACIC, S. - Jugoslavia

27. The Draft of an Agreement for the Exchange Clearing Accounts between Zone A and Zone B of VENEZIA GIULIA was discussed and the following Draft was approved as a basis to work upon:

Draft of Agreement for the Exchange Clearing Accounts between Zone A and Zone B Venezia Giulia.

1. The Agreement is to facilitate settlement of payments between Zone A (that part of Venezia Giulia administered by the Allied Military Government) and Zone B (that part of Venezia Giulia administered by the Jugoslav Military Govt.) hereinafter referred to as AMG and JMG respectively.

2. All payments of whatever nature, arising as a result of obligations of parties in Zone A to parties in Zone B and obligations of parties in Zone B to parties in Zone A, will be discharged only by an exchange clearing account to be controlled by agencies representing the respective Military Governments.

3. The agencies to record the transactions on the exchange clearing accounts will be :-

Zone A. — Exchange Equalisation Section, AMG Finance Div.

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C.F.O., AMG 13 Corps.

Members

Ing. KOVACIC, M - Jugoslavia
Mr. BARLIC, S. - Jugoslavia

In Attendance

Dr KOBE, B - Jugoslavia
Mr DOLINSEK, L. - Jugoslavia
Dr Ing. KOVACIC, S. - Jugoslavia

27. The Draft of an Agreement for the Exchange Clearing Accounts between Zone A and Zone B of VENEZIA GIULIA was discussed and the following Draft was approved as a basis to work upon:

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1. The Agreement is to facilitate settlement of payments between Zone A (that part of Venezia Giulia administered by the Allied Military Government) and Zone B (that part of Venezia Giulia administered by the Jugoslav Military Govt.) hereinafter referred to as AMG and JME respectively.

2. All payments of whatever nature, arising as a result of obligations of parties in Zone A to parties in Zone B and obligations of parties in Zone B to parties in Zone A, will be discharged only by an exchange clearing account to be controlled by agencies representing the respective Military Governments.

3. The agencies to record the transactions on the exchange clearing accounts will be :-

Zone A. — Exchange Equalisation Section, AMG Finance Div.

Zone B. — Centroprom, for JMG Finance Div.

for and on behalf of the respective Governments.

4. These agencies will open and maintain accounts at an agreed Bank in their respective Zones.

Exchange Equalisation Section, AMG Finance Div. will open an account at the Cassa di Risparmio Triestino, Trieste and Centroprom will open an account at the Gospodarska Banka, Fiume. These accounts will be free of interest and charges.

5. All transactions will take place in Lire and all records will be kept

/..... in lire. There currency

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27. Cont.

in lire. Where currency is involved, all entries will be detailed as to type of currency.

All cheques, bankers drafts and bills of exchange and other negotiable instruments deposited in Zone B, will be subject to the existing rules of negotiability as laid down by Allied Military Government, 13 Corps

6. As a guarantee of all payments and as cover for the balances outstanding in the respective Zones, the basic medium of all settlements will be Italian Metropolitan Lire. An agreed amount of this currency will be held in each Zone at all times and will be used in event of liquidation of balances when this agreement is terminated.

7. All transactions will be recorded accurately in the accounts of Centreprom and Exchange Equalisation Section, JMG, at the Gospodarska Banka, Fiume and Cassa di Risparmio Triestino, Trieste respectively. Centreprom and Exchange Equalisation Section, JMG will maintain accurate records of all transactions and these records will be identical to the entries in the accounts at the respective Banks.

8. Centreprom and Gospodarska Banka, Fiume will notify each other daily of all transactions and orders for payments will also be advised daily.

Likewise Exchange Equalisation Section, JMG and Cassa di Risparmio Triestino, Trieste will notify each other in the same manner.

9. NO payments will be made in Zone A without approval of the Chief Finance Officer, JMG 13 Corps and in the case of commercial transactions prior approval of the Chief Commerce Officer, JMG 13 Corps must be obtained. In the same manner NO payments will be made in Zone B without approval of the JMG Finance representatives.

In this respect Centreprom will submit requests for payments in Zone A through Exchange Equalisation Section, JMG for approval by the Chief Finance Officer, JMG 13 Corps. Exchange Equalisation Section, JMG will submit requests for payments in Zone B, through Centreprom for approval of by JMG Finance,

10. Payments or transactions hereinbefore mentioned are intended to cover :-

a. settlement of obligations resulting from ALL trade between the Zones A and B.
b. passenger traffic by road, rail or other means involving payment.
c. settlement of obligations arising out of supply of public services - electricity, telephone etc. - either

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number of all settlements will be Italian Metropolitan Lire. An agreed amount of this currency will be held in each Zone at all times and will be used in event of liquidation of balances when this agreement is terminated.

7. All transactions will be recorded accurately in the accounts of Centreprom and Exchange Equalisation Section, AMG, at the Gospodarska Banka, Fiume and Cassa di Risparmio Triestino, Trieste respectively. Centreprom and Exchange Equalisation Section, AMG will maintain accurate records of all transactions and these records will be identical to the entries in the accounts at the respective Banks.

8. Centreprom and Gospodarska Banka, Fiume will notify each other daily of all transactions and orders for payments will also be advised daily.

Likewise Exchange Equalisation Section, AMG and Cassa di Risparmio Triestino, Trieste will notify each other in the same manner.

9. NO payments will be made in Zone A without approval of the Chief Finance Officer, AMG 13 Corps and in the case of commercial transactions prior approval of the Chief Commerce Officer, AMG 13 Corps must be obtained. In the same manner NO payments will be made in Zone B without approval of the AMG Finance representatives.

In this respect Centreprom will submit requests for payments in Zone A through Exchange Equalisation Section, AMG for approval by the Chief Finance Officer, AMG 13 Corps. Exchange Equalisation Section, AMG will submit requests for payments in Zone B, through Centreprom for approval of by AMG Finance.

10. Payments or transactions hereinbefore mentioned are intended to cover :-

a. settlement of obligations resulting from ALL trade between the Zones A and B.
b. passenger traffic by road, rail or other means involving payment.
c. settlement of obligations arising out of supply of public services - electricity, telephone etc. - either Zone A to Zone B or viceversa.
d. clearing of amounts of salaries, pensions, wages of workers in Zone B with residence and families in Zone A and viceversa.
e. settlements of outstanding debts, but NOT including debts incurred prior to a date to be agreed upon by the the Military Governments in Zones A and B.

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11. All orders for payment will be numbered consecutively and discharged in that order, on the basis of the balances available at the time of payment.

Each Military Government will have the right to intervene and give priority payment, where delayed payment under paragraph 10. b.c.d. may result in hardship to the beneficiaries.

/. 12

12. Debtors will be held liable for the whole amount of their obligations until such time that their creditors in the other Zone acknowledge receipt of the full settlement of the debt outstanding.

13. Exchange Equalisation Section AMG and Contrepron acting as intermediaries of the Allied Military Government 13 Corps and Jugoslav Military Government respectively may claim access to each others records relating to exchange clearing at any time, on giving notice to that effect and with approval of the respective Military Governments.

14. The agreement may be suspended or terminated by either side upon giving seven days notice in writing to the other side.

15. The agreement will be in force on the date of issue thereof.

28. ANGLO-AMERICAN AGENCY IN ZONE B.

The Jugoslav Delegation were asked, if an application to open an agency in Zone B similar to Contrepron, by the Anglo-American side, would be considered by them. This was unlikely to be requested at the moment, unless the work considerably increased; but a matter of principle was involved should it become necessary to do so.

The Jugoslav Delegation agreed that if the opening of an agency became necessary they would be prepared to discuss it later when the contingency arose.

J. R. SHORTEN.
Major, D.A.&Q.G.
Secretary
Joint Economic Committee.

JRS/:ELC

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J. R. SNOWDEN.
Major, D.A.Q.M.G.
Secretary
Joint Economic Committee.

JRS/HLC

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HQ
AFCOM.

Copy No 19

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

9 November 1945

NOV 27 1945

M I N U T E S

99. The eighth meeting of the Joint Economic Committee was held at 0900 hours, 9th November 1945, in the Main Conference Room, at HQ., A.M.G., XIII Corps, TRIESTE.

PRESENT:

Chairman.

Brigadier W.H. MITCHELL, CBE
DA & QMG 13 Corps.

Members.

Colonel C.H. BARRETT
EDTM., TRIESTE

Lt.Col. H.D. PHILLIPS, MBE
AMG (M)., 13 Corps

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

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

Major J.E. POREN
Public Works., AMG 13 Corps

Dr B KOBE
Chief of Jugoslav Delegation

Mr J. PERKVIC
Commerce, Jugoslavia

Ing. M. DOLGAN
Industry, Jugoslavia

Mr F. URSICIC
Commercial Transport, Jugoslavia

Ing. M. KOVACIC
Industry, Jugoslavia

Mr S. MENDIC
Finance, Jugoslavia

Major GOLOB

In Attendance.

Ing. D. SMODEK,
Electricity, Jugoslavia.

100. MINUTES OF SEVENTH MEETING.

The minutes of the seventh meeting held on 12th October 1945

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0900 hours, 9th November 1945, in the Main Conference Room, at HQ., AMG., XIII Corps, TRIESTE.

PRESENT:

Chairman.

Brigadier A.H. MITCHELL, CBE
DA & QMG 13 Corps.

Members

Colonel C.H. BARRETT
DDTN., TRIESTE

Lt.Col. H.D. PHILLIPS, MBE
AQMG (M)., 13 Corps

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

Lt.Col. H.T. BEARD
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Major J.E. PODEN
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Dr D KOEN
Chief of Jugoslav Delegation

Mr J. PETKOVIC
Commerce, Jugoslavia

Ing. M. DOLGAN
Industry, Jugoslavia

Mr F. URSICIC
Commercial Transport, Jugoslavia

Ing. L. KOVACIC
Industry, Jugoslavia

Mr S. BENSIC
Finance, Jugoslavia

Major GOLOB

In Attendance.

Ing. D. SIKOSEK,
Electricity, Jugoslavia.

100. MINUTES OF SEVENTH MEETING.

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The minutes of the seventh meeting held on 12th October 1945 were received.

/. . . . . 101 TOURISTS AGENCIES

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101. TOURIST AGENCIES.

The Chairman stated that this matter had been referred to AFHQ on his visit there and that they also had his letter on the matter. It was hoped it would be possible to give a reply in due course.

Dr KOHE asked if this could be given before the next meeting.

102. COTTON.

Dr KOHE stated that the Allied offer to spin cotton at the CORIZIA mill had been accepted and that arrangements had already been made through CENTROLEGNO for work to commence as soon as possible.

It was pointed out by Lt.Col. BICKERSTETH that as the mill was now receiving cotton from Anglo-American sources, it would only be possible to let a part of the mills' capacity be used for Jugoslav production. It was agreed that it would be necessary for the contract to be examined by AMG as they were financing the mill and arrangements for payment would have to be made, before the contract could be agreed.

103. TIMBER.

Dr KOHE stated that he was astonished at the timber problem and that JUGOSLAVIA was quite prepared to export timber, but that the price of 160 lire per quintal, which had been offered was too low; the cost of timber in JUGOSLAVIA being 400 lire a quintal less taxes, and 300 lire ex dumps less transportation costs. Attempts were being made in Zone B to fix maximum prices, but the price of wood had not yet been fixed.

Lt.Col. BICKERSTETH said that the price was considered too high taking into consideration that timber was only 160 lire a quintal in UDINE Province.

Dr KOHE pointed out that it was a price fixed by the Allies and would not conform with prices in Zone B in consequence.

The Chairman considered that the matter should be negotiated as soon as possible by the Industry and Commerce Sub-Committee.

It was agreed that Lt.Col. BICKERSTETH and Major COLOB should settle the matter.

104. NOTIFICATION OF ISSUE OF NEW CURRENCY IN ZONE B.

Lt.Col. REMD drew attention to an omission in the last minutes of the Joint Economic Committee. He said that the Jugoslav delegates had stated that they did not contemplate putting new currency into circulation in Zone B, and undertook to inform him in advance before the issue of currency was made.

Dr KOHE replied that this statement was not quite correct and that he had stated they were not certain that new currency would be issued in Zone B, but that at a meeting of the Finance Sub-Committee they had agreed to inform the Finance Division if the money was being altered in Zone B.

Lt.Col. REMD stated that Dr KOHE came to his office to apologise for not informing him in accordance with his previous undertaking.

Dr KOHE replied that this was done in their letter of 16 October in which it was stated new currency was [illegible]

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Lt.Col. BAIRD stated that Dr KOBE came to his office to apologise for not informing him in accordance with his previous undertaking.

Dr KOBE replied that this was done in their letter of 16 October in which it was stated new currency was being issued in Zone B, and it was a disagreeable fact that the postal service was so bad, that the letter did not arrive in time.

/ ..... The Chairman stated that

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104. Cont.

The Chairman stated that it was agreed that the Anglo-American side should be informed, but that this had not been carried out.

Dr KOBE requested that it should be entered in the minutes that the Jugoslav delegation had not considered it necessary to raise the question of Allied Military Line which had now been in use in Zone A for 5 months.

105. RAILWAYS.

Colonel KNIGHT announced that the railway bridge at Km point 68.161 quoted in minute 92 of the last meeting, would not be completed until December.

106. BUS SHUTTLE SERVICE.

It was announced that repairs were to be made to a minor road at Canale d'Isonzo so that a shuttle service could be run to connect the two ends of the railway line. This road was at the moment reported unfit for bus traffic.

107. TRIESTE - POLA ROAD.

Dr KOBE announced that all preparations for the repair of the road from TRIESTE to POLA were now made and that work had already commenced. The Chief of Works had visited XIII Corps Headquarters on 9th November 45 to ask for bitumen.

108. MINUTES OF SECOND MEETING OF FINANCE SUB-COMMITTEE.

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

109. CLOSING OF THE SLOVENE NATIONAL BANK IN TRIESTE.

Dr KOBE stated he wished to raise a protest against the closing of the Slovene National Bank in TRIESTE, because it had been previously agreed that the status quo should be maintained until a settlement had been reached on the financial question, and an agreement on the opening of a bank decided.

Lt.Col. KNIGHT replied that it was agreed that AMG were to be consulted on the matter and that until a decision was reached the bank could remain open. The bank had in fact remained open for 3 months while a proper application was awaited from the Jugoslav authorities, but the Jugoslavs finally decided that as it was a State Bank, they could therefore not agree with the terms laid down. He then re-submitted the case stating that the Jugoslavs had stated that the bank was a State Bank. It was then decided that as a State Bank it must close down. The SCAO instructed the bank to be closed.

The Chairman pointed out that AMG would not permit a State Bank but would consider the opening of a private bank provided it conformed with the terms laid down.

Dr KOBE protested that their application of 7 August should be [illegible]

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The Chairman pointed out that AFHQ would not permit a State Bank but would consider the opening of a private bank provided it conformed with the terms laid down.

Dr KOBE protested that their application of 7 August should have been taken into consideration, and that the Bank should not have been closed by one-sided action without reference to the Main Committee.

/..... Furthermore the bank in

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(36)

109. Cont.

Furthermore the bank in question was not a State Bank; it was not responsible for the issue of currency this being done only from BELGRADE, and it was only of a public legal character.

The Chairman then replied that if they desired to open a private bank they must make an application in the normal way. This they had failed to do for 3 months, and then had finally declared it was a State Bank.

Dr KOHL referred to the last paragraph of minute 15 of the Sub-Committee minutes, and stated he considered this request in the nature of an ultimatum.

Lt.Col. HELMD replied that it could in no way be construed as an ultimatum, and that this information had been promised a week previously by the manager of the bank, and that he required the information so that the matter would be ready for discussion at this meeting.

Dr KOHL asked if it was such an important question that it should be treated at this conference.

Lt.Col. HELMD stated that he has complete authority over all banks in Zone A: he had done the Jugoslav authorities the courtesy of not interfering with their bank, although he could have asked for many details, and for information on accounts with whom they did business. He had in fact only asked that the bank should be closed and the money returned to the depositors. The Director had promised to furnish this information a week ago, but if it was preferable to the Jugoslavs the Colonel would examine the books, and obtain the necessary information.

Dr KOHL stated he could not understand why the Jugoslav Delegation should be asked for this declaration, but that they were quite prepared to overlook these methods and would like to remove the books to Zone B.

Lt.Col. HELMD replied that it was necessary that some responsible person gave the answer to the questions, but, in these circumstances, would they produce the books so that they might be examined.

The Chairman suggested that the entire matter should be referred to the Sub-Committee and that Lt.Col. HELMD would represent AMG from the Anglo-American side.

Dr KOHL accepted the view of the Anglo-American side on the opening of a private bank and an application would be submitted. He desired that it should be recorded that the Anglo-American side would accept the application, in the terms laid down, for the opening of a private bank and wished it to be known that there were Slovenian and Croatian Banks in this area before the Fascists came.

Lt.Col. HELMD replied that an application would be considered if it complied with the terms laid down.

110. THE UNBLOCKING OF BANK ACCOUNTS IN ZONE A AND ZONE B.

There was considerable discussion over the unblocking of accounts in Zone A and it was finally agreed that:

a) The Jugoslav delegates did not desire the transfer of currency from Zone A to Zone B.

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b) Lt.Col. HELMD would authorise persons in Zone B who had accounts

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replied that it could in no way be construed as an ultimatum, and that this information had been promised a week previously by the manager of the bank, and that he required the information so that the matter would be ready for discussion at this meeting.

Dr KOBE asked if it was such an important question that it should be treated at this conference.

Lt.Col. BEARD stated that he has complete authority over all banks in Zone A. He had done the Jugoslav authorities the courtesy of not interfering with their bank, although he could have asked for many details, and for information on accounts with whom they did business. He had in fact only asked that the bank should be closed and the money returned to the depositors. The director had promised to furnish this information a week ago, but if it was preferable to the Jugoslavs the Colonel would examine the books, and obtain the necessary information.

Dr KOBE stated he could not understand why the Jugoslav Delegation should be asked for this declaration, but that they were quite prepared to overlook these methods and would like to receive the books to Zone B.

Lt.Col. BEARD replied that it was necessary that some responsible person gave the answer to the questions, but, in these circumstances, would they produce the books so that they might be examined.

The Chairman suggested that the entire matter should be referred to the Sub-Committee and that Lt.Col. BEARD would represent A.C from the Anglo-American side.

Dr KOBE accepted the view of the Anglo-American side on the opening of a private bank and an application would be submitted. He desired that it should be recorded that the Anglo-American side would accept the application, in the terms laid down, for the opening of a private bank and wished it to be known that there were Slovenian and Croatian Banks in this area before the Fascists came.

L.Col. BEARD replied that an application would be considered if it complied with the terms laid down.

110. THE UNBLOCKING OF BANK ACCOUNTS IN ZONE A AND ZONE B.

There was considerable discussion over the unblocking of accounts in Zone A and it was finally agreed that:

a) The Jugoslav delegates did not desire the transfer of currency from Zone A to Zone B.

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b) Lt.Col. BEARD would authorise persons in Zone B who had accounts in Zone A to draw against these accounts on a license from him.

c) The Jugoslavs would permit persons in Zone A with accounts in Zone B the same privileges.

/.....Owing to the shortage

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110. Cont.

Owing to the shortage of materials, Commerce could not be entirely free, and a scheme had been sent to the Jugoslav Government in BELGRADE three months ago to cover this situation. No reply to which had yet been received. It was agreed as far as it was possible that as much freedom as could be allowed would be granted to trade and the use of funds for private matters by the holders of accounts in Zone .. must be considered.

Major GOLOB requested that a copy of the formalities to be observed should be attached to the minutes, and Lt.Col. HELMD promised that he would make arrangements so that the terms of license would be ready for the 15th November 45.

111. MEETING OF OBLIGATIONS OF INSURANCE COMPANIES.

Dr KOHL stated that Insurance Companies in Zone B were meeting all obligations; could arrangements be made that Insurance Companies in Zone .. did the same.

Lt.Col. HELMD stated that he was not aware of this situation and would investigate the matter.

112. THE OPENING OF AN OFFICE FOR WAR DAMAGE CLAIMS OF JUGOSLAV AND SLOVENIAN CITIZENS.

Dr KOHL stated that the Jugoslav Delegation were not satisfied with the answer that a Jugoslav office should not be opened to deal with the war damage claims of Jugoslav and Slovenian citizens in Zone .., as it was considered that citizens that had been interned and suffered moral damage from the war should be able to claim compensation.

In reply it was stated that ..G was the government of Zone .. and all applications for assistance, or complaints of unfair discrimination, should be passed to them by the individuals concerned. The entire matter was outside the scope of the Joint Economic Committee, and any suggestions should be passed to the head of the Military Government.

113. SLOVENE AUTHORSHIP ROYALTIES.

Dr KOHL asked if Lt.Col. HELMD could forward him, details on the payment of ..uthorship Royalties in Zone .., by letter.

Lt.Col. HELMD promised to do this.

114. EVASION OF TAXATION - MONOPOLY GOODS.

Dr KOHL agreed that the black market should be repressed and was grateful for the example which had been given him through the Sub-Committee and action on the matter had been taken.

115. METHOD OF PAYMENT BY JUGOSLAVS FOR LARGE ORDERS PLACED IN ZONE ..

Dr KOHL stated that the question of method of payment, for the large orders at present being executed in Zone .. for the Jugoslavs, had been referred

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...vember 45.

111. MEETING OF OBLIG..TIONS OF INSURANCE COM..NIES.

Dr KOHE stated that Insurance Companies in Zone B were meeting all obligations; could arrangements be made that Insurance Companies in Zone .. did the same.

Lt.Col. HE..D stated that he was not aware of this situation and would investigate the matter.

112. THE O..NING OF ..N OFFICE FOR W..R D..GE CL..MS OF JUGOSL..V ..D SLOVEN..N CIT..ZENS.

Dr KOHE stated that the Jugoslav Delegation were not satisfied with the answer that a Jugoslav office should not be opened to deal with the war damage claims of Jugoslav and Slovenian citizens in Zone .., as it was considered that citizens that had been interned and suffered moral damage from the war should be able to claim compensation.

In reply it was stated that ..G was the government of Zone .. and all applications for assistance, or complaints of unfair discrimination, should be passed to them by the individuals concerned. The entire matter was outside the scope of the Joint Economic Committee, and any suggestions should be passed to the head of the Military Government.

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Lt.Col. HE..D promised to do this.

114. EV..SION OF R..T..TION - MONOPOLY GOODS.

Dr KOHE agreed that the black market should be repressed and was grateful for the example which had been given him through the Sub-Committee and action on the matter had been taken.

115. METHOD OF P..YMENT BY JUGOSL..VS FOR L..RGE ORDERS PL..CED IN ZONE ..

Dr KOHE stated that the question of method of payment, for the large orders at present being executed in Zone .. for the Jugoslavs, had been referred to the officials responsible.

Lt.Col. HE..D pointed out that the matter was extremely important and should be settled as soon as possible.

/..... The Chairman stated that

115. Cont.

The Chairman stated that if the matter had not been completed satisfactorily, it should be reviewed before the next meeting of the Committee.

116. MEMORANDUM "L. VOLLBRIEF" ON THE EXCHANGE OF CURRENCY.

Dr KOHL stressed that the Jugoslav Delegation did not wish reports from the Press which were against JUGOSLAVIA to be referred to at meetings.

117. MINUTES OF SEVENTH MEETING OF FUEL AND POWER SUB-COMMITTEE.

The minutes of the seventh meeting of the Fuel and Power Sub-Committee were received.

118. REPLY TO THE QUESTION ON COAL STACKING.

Dr KOHL stated that there was no comment to be made on the reply from AMG, but that they were ready with the quantity of coal as promised.

119. EXPLOSIVE.

All that now remained for settlement was the price for which the Jugoslav Authorities were waiting.

120. MINUTES OF SEVENTH MEETING OF INDUSTRY & COMMERCE SUB-COMMITTEE.

The minutes of the seventh meeting of the Industry and Commerce Sub-Committee were received.

121. USE OF FLOUR MILLS AT POLA.

It was agreed that the details should be settled at a conference between Major GOLOB and Lt.Col. BICKENSTETH to take place at POLA with the persons concerned.

122. THE PROBLEM OF WAGONS AND OTHER MATERIALS IN ZONE A.

Lt.Col. BICKENSTETH stated that the details had not yet been investigated and that an answer would be given between meetings.
(See minute 75 Industry & Commerce Sub-Committee minutes).

123. BUS SERVICES.

Lt.Col. BICKENSTETH announced that he had now received information that 12 tyres were available in ROME from Italian Government sources for use in the bus service GORIZIA to POSTUMIA, to be run by the firm of MERI. It now only remained for the Jugoslavs to produce the 12 tyres from their sources as previously agreed out of Committee.

Major GOLOB stated that he felt there must be some mistake as they could not undertake to supply tyres, Jugoslavia's only source of supply being through the black market in Italy.

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MINUTES OF SEVENTH MEETING OF FUEL AND POWER SUB-COMMITTEE

The minutes of the seventh meeting of the Fuel and Power Sub-Committee were received.

118. REPLY TO THE QUESTION ON FUEL SAVING.

Dr KOZE stated that there was no comment to be made on the reply from AFHQ, but that they were ready with the quantity of coal as promised.

119. EXPLOSIVE.

All that now remained for settlement was the price for which the Jugoslav Authorities were waiting.

120. MINUTES OF SEVENTH MEETING OF INDUSTRY & COMMERCE SUB-COMMITTEE.

The minutes of the seventh meeting of the Industry and Commerce Sub-Committee were received.

121. USE OF FLOUR MILLS AT ACL.

It was agreed that the details should be settled at a conference between Major GOLOB and Lt.Col. BICKENSTETH to take place at ACL with the persons concerned.

122. THE PURCHASE OF VEHICLES AND OTHER MATERIALS IN ITALY.

Lt.Col. BICKENSTETH stated that the details had not yet been investigated and that an answer would be given between meetings.
(See minute 75 Industry & Commerce Sub-Committee minutes).

123. BUS SERVICES.

Lt.Col. BICKENSTETH announced that he had now received information that 12 tyres were available in ROME from Italian Government sources for use in the bus service CORELL to MONTAL., to be run by the firm of KERR. It now only remained for the Jugoslavs to produce the 12 tyres from their sources as previously agreed out of Committee.

Major GOLOB stated that he felt there must be some mistake as they could not undertake to supply tyres, Jugoslavia's only source of supply being through the black market in ITALY. If a further 12 tyres could be found, and the Anglo-American side would furnish them with information of where they

/..... could be obtained, they would purchase

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123. Cont.

could be obtained, they would purchase them for the use of the bus service, in the meantime every effort would be made to try and find tyres from the Jugoslav side.

124. THE SHIP "SAN MARCO".

The final destination of the San Marco was to be discussed between the owner and Major GOLDS, as this was the responsibility of the Jugoslav Government the vessel being in Zone B. Information on the arrangements made was to be passed to Lt.Col. BICKERSTETH.

125. COMMERCIAL TRANSACTIONS BETWEEN ZONES

Lt.Col. BICKERSTETH stated he did not think that sufficient information was exchanged over commerce between Zones A and B, and considered that a system of licenses would assist and that export licenses would be required for exports from Zone A. As an example he quoted the very substantial quantities of wool which were passing through Zone A to ITALY, although previously it had been said there was none available. He further considered that owing to its needs, Zone A should be considered first.

Major GOLDS replied that the wood in question was from JUGOSLAVIA and not Zone B, but that the declaration of a shortage of wood in Zone B was of an earlier date, and that now the situation had improved ULYOM had already been contacted with the view to improving trade, it being considered that timber was one of the chief articles which could be used as a method of compensation for purchases. He considered that licenses would assist in stopping the black market and that the Jugoslavs would make similar arrangements, and he would see Lt.Col. BICKERSTETH between meetings on this subject.

126. MACHINERY IN AUSTRIA.

The concrete mixing machinery etc. referred to was thought to belong to French nationals, and as it was therefore a matter to be handled between governments and not through AMG, no further action was needed by the Committee.

127. HARD COAL FOR LOCOMOTIVES IN ZONE B.

Major FOSSI stated in reply to a request that hard coal should be provided for locomotives in Zone B, that AFHQ had ruled that no coal of this type was at present available for use in Zone B.

128. CANCELLATION OF MILITARY TRAIN TRIESTE - POLA.

Dr KOHN announced that the military train, for which permission had been granted by the Jugoslav Government at BELGRADE, to be operated once a week from TRIESTE to POLA, could no longer be allowed, and that the service was now cancelled.

Lt.Col. PHILLIPS stated that he would bring this point up at the next Joint Operating Committee meeting.

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125. COMMERCIAL TRANSACTIONS BETWEEN ZONES

Lt.Col. BICKERSETH stated he did not think that sufficient information was exchanged over commerce between Zones A and B, and considered that a system of licenses would assist and that export licenses would be required for exports from Zone A. As an example he quoted the very substantial quantities of wood which were passing through Zone A to ITALY, although previously it had been said there was none available. He further considered that owing to its needs, Zone A should be considered first.

Major COLOE replied that the wood in question was from JUGOSLAVIA and not Zone B, but that the declaration of a shortage of wood in Zone B was of an earlier date, and that now the situation had improved UNRRA had already been contacted with the view to improving trade, it being considered that timber was one of the chief articles which could be used as a method of compensation for purchases. He considered that licenses would assist in stopping the black market and that the Jugoslavs would make similar arrangements, and he would see Lt.Col. BICKERSETH between meetings on this subject.

126. MACHINERY IN ANCONA.

The concrete mixing machinery etc. referred to was thought to belong to French nationals, and as it was therefore a matter to be handled between governments and not through AMG, no further action was needed by the Committee.

127. HARD COAL FOR LOCOMOTIVES IN ZONE B.

Major FORDE stated in reply to a request that hard coal should be provided for locomotives in Zone B, that AFHQ had ruled that no coal of this type was at present available for use in Zone B.

128. CANCELLATION OF MILITARY TRAIN TRIESTE - VOL.

Dr KOHL announced that the military train, for which permission had been granted by the Jugoslav Government at BELGRADE, to be operated once a week from TRIESTE to VOL., could no longer be allowed, and that the service was now cancelled.

Lt.Col. PHILLIPS stated that he would bring this point up at the next Joint Operating Committee meeting. 162

129. IDENTITY CARDS.

The question of identity cards was outside the scope of the Committee and was to be brought up with AMG.

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130. MARKING BUOYS TO WRECKS.

Marking Buoys which had been placed to mark the wreck of an UNRRA ship were found to be continually disappearing. It was suspected that they were being removed by fishermen, orders had been given to fishermen in TRIESTE area that this must discontinue owing to the hazard to shipping. It was requested that a similar order should be issued in Zone B.

Dr KOBE replied that this would be dealt with immediately and that offenders would be brought before the peoples court.

131. NEXT MEETINGS

It was agreed that the next meetings would be held as follows:

Industry and Commerce and Fuel and Power Sub-Committee meetings should be held Tuesday 4th December 45 at 0900 hours, and that the business of the two Committees should be combined.

The Finance Sub-Committee should be held Wednesday, 5th December 45 at 0900 hours.

The Joint Economic Committee should be held Friday, 7th December 45 at 0900 hours.

J. R. SKIDDEN.
Major, D.A.A.G.
Secretary
Joint Economic Committee.

JRS/HLC

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47	Public Works., AMG 13 Corps
48/57	Jugoslav Delegation
58	Colonel C.H. ALLOTT, RMPP., Navy House.
69	Commerce., AMG 13 Corps
70	Capt. F.M.EN, AMG 13 Corps
71	File
72/100	Spares

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9	M & TH., AFHQ
10	US MOLD., AFHQ
11	MESSDM., AFHQ
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17	AQ(Z) (A)., 13 Corps
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19	HQ., ACCM.
20/29	Economic Section., ACCM
30	Public Works & Utilities Sub-Commission ACCM (attn: Chief., Electrical Division)
31	Commerce Sub-Commission, ACCM (attn: Coal Division)
32	Industry Sub-Commission, ACCM
33	Finance Sub-Commission
34	American Embassy
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37/38	D/SCAO., AAG 13 Corps
39	Economic Adviser., AAG 13 Corps
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42	Finance., AAG 13 Corps
43/44	Supplies., AAG 13 Corps
45	Transportation, AAG 13 Corps
46	Labour., AAG 13 Corps
47	Public Works., AAG 13 Corps
48/57	Jugoslav Delegation
68	Colonel C.H. ...ETT, MTH., Navy House.
69	Commerce., AAG 13 Corps
70	Capt. ...EK, AAG 13 Corps
71	File
72/100	Spares

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H050 40:

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HQ. AFCOM.

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

6 November 1945

NOV 27 1945

JOINT ECONOMIC COMMITTEE
AGENDA.

The eighth meeting of the Joint Economic Committee (per agreement of 20 June 1945 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Jugoslav Army, will be held at 0900 hours on FRIDAY, 9th November 1945, in the Main Conference Room, No. 68, HQ., AMG 13 Corps, TRIESTE, to consider the following Agenda:

22

1. Minutes of the seventh meeting held on 12 October 1945.

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

   a) Fuel & Power Sub-Committee meeting of 7 November 45 (Appendix A, 29)

   b) Commerce & Industry Sub-Committee meeting of 6 November 45 (Appendix B, 27)

   c) Finance Sub-Committee meeting of 8 November 45 (Appendix C). 24

3. Any other business.

4. To set a date for the next meeting.

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J. R. SLOCOCK.
Major, RA[illegible].
Secretary
Joint Economic Committee.

JRS/HLC

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...eighth meeting of the Joint Economic Committee (per agreement of 20 June 1945 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Jugoslav Army, will be held at 0900 hours on FRIDAY, 9th November 1945, in the Main Conference Room, No. 66, HQ., AMG 13 Corps, TRIESTE, to consider the following Agenda:

22

1. Minutes of the seventh meeting held on 12 October 1945.

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

   a) Fuel & Power Sub-Committee meeting of 7 November 45 (Appendix A, 29)

   b) Commerce & Industry Sub-Committee meeting of 6 November 45 (Appendix B, 27)

   c) Finance Sub-Committee meeting of 8 November 45 (Appendix C). 24

3. Any other business.

4. To set a date for the next meeting.

Tab 1

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J. R. SIMMEN.
Major, [illegible]
Secretary
Joint Economic Committee.

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Attachments.

Appendices "A","B", and "C".

(M133 3)

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APPENDIX "A"

Copy No .....
33

JOINT ECONOMIC COMMITTEE

FUEL AND POWER SUB-COMMITTEE - MINUTES.

40. The seventh meeting of the Fuel & Power Sub-Committee was held at 0900 hours on Wednesday, 7th November 1945, at HQ M.G., 13 Corps.

PRESENT:

Chairman.

Major J.E. FODEN
M.G., 13 Corps

Members

Ing. KOVACIC, Marta - Jugoslavia
DELIC, M. - Jugoslavia

In Attendance

Ing. SIKOSEK, Dusan - Jugoslavia

41. COST OF EXPLOSIVES.

Although a request has been sent for the price of explosive, quoted in minute 75 of the last Joint Economic Committee meeting, no reply has yet been received and the answer is to be given between meetings.

42. REDLJOGLLA - OPICINA RAILWAY POWER LINE

The poles were now located near POSTUMIA and were ready for delivery to OPICINA. But a letter received by the Jugoslavs dated 16 October 45 from the Royal Engineers stated that the poles were no longer required.
Major FODEN stated that this was incorrect and would they be still available if they were required. The Jugoslavs stated that delivery could be made of 60 poles if desired.

43. REPLY TO QUESTION ON MINE SWEEPING.

The Jugoslavs stated that the reply had been studied but there were no comments to be made.

44. HARD COAL FOR RAILWAYS IN ZONE "B"

The Jugoslavs requested that some arrangement should be made to provide hard coal for the railway engines in Zone "B" as the coal at present in use was damaging the boilers and fireboxes.
Major FODEN replied that the matter had already been referred to AFHQ through the Joint Operating Committee, and that in reply it had been stated that no hard coal was available for railways in Zone B at the present time.

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Members

Ing. KOVACIC, Marko - Jugoslavia
Dr DRAM, M. - Jugoslavia

In Attendance

Ing. SIKOSEK, Dusan - Jugoslavia

41. COST OF EXPLOSIVES.

Although a request has been sent for the price of explosive, quoted in minute 75 of the last Joint Economic Committee meeting, no reply has yet been received and the answer is to be given between meetings.

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44. HARD COAL FOR RAILWAYS IN ZONE "B"

The Jugoslavs requested that some arrangement should be made to provide hard coal for the railway engines in Zone "B" as the coal at present in use was damaging the boilers and fireboxes. 158

Major FODEN replied that the matter had already been referred to AFHQ through the Joint Operating Committee, and that in reply it had been stated that no hard coal was available for railways in Zone B at the present time.

45 DETONATORS.

The Jugoslav delegates asked if 200,000 detonators could be purchased through Anglo-American sources for coal mining. In reply it was pointed out that no further negotiations could be undertaken regarding coal mining, until the Jugoslav Delegation produced a satisfactory plan for the production of coal from MMA., as stated in reply from AFHQ shown in appendix A to the last minutes of the Joint Economic Committee meeting of 12 October 45.

Ing. KOVACIC asked what quantity of the production of the MMA. mines would be considered reasonable by the Anglo-American delegates.

/. . . . Major FODEN replied that

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45. Cont.

Major FODEN replied that for six meetings it had been discussed and the Anglo-American desires in the matter had been clearly explained. All that was required was a mutual plan for the operation of the mines so that a maximum reasonable output could be guaranteed. It had been understood from previous statements that JUGOSLAVIA was self-sufficient regarding explosives for mining.

Ing. KOVACIC pointed out that for explosives JUGOSLAVIA was self-sufficient, but that this did not apply to detonators.

Major FODEN remarked that at one meeting the Jugoslavs desired one thing, at another time another, and that no consolidated idea of what was required to run a mine seemed to be known. He considered that if a joint investigation was made; the two parties would be able to cover together all foreseeable requirements, and it would then be possible to arrange a satisfactory maximum output that would not be injurious to the mine. This request had been made many times, but no answer had yet been given.

Ing. KOVACIC stated that the Jugoslav Delegation now understood what was desired, although this had not been understood previously, and that there were no further points to be raised on the matter at this meeting.

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J. R. SIGMEN.
Major, R.A.S.C.
Secretary.

JBS/AJC

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Ing. KOVACIC pointed out that for explosives JUGOSLAVIA was self-sufficient, but that this did not apply to detonators.

Major FOWLER remarked that at one meeting the Jugoslavs desired one thing, at another time another, and that no consolidated idea of what was required to run a mine seemed to be known. He considered that if a joint investigation was made; the two parties would be able to cover together all foreseeable requirements, and it would then be possible to arrange a satisfactory maximum output that would not be injurious to the mine. This request had been made many times, but no answer had yet been given.

Ing. KOVACIC stated that the Jugoslav Delegation now understood what was desired, although this had not been understood previously, and that there were no further points to be raised on the matter at this meeting.

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J. R. STEPHEN.
Major, R.A.M.C.
Secretary.
Joint Economic Committee.

JRS/HLC

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APPENDIX "B"

Copy No .....
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JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
XIII CORPS, TRIESTE, ITALY

6 November 1945

INDUSTRY & COMMERCE SUB- COMMITTEE

68. The seventh meeting of the Industry and Commerce Sub-Committee was held at 0900 hours on Tuesday 6th November 45 in the Economic Section Conference Room at Hq A.G., XIII Corps, TRIESTE.

PRESENT:

Chairman

Lt. Colonel D.S. BICKERSETH
AG XIII Corps

Members

ING. PERKVIC, J. Jugoslavia (Commerce)
ING. DOLGAN, M. Jugoslavia (Industry)
ING. KOVACIC, M. Jugoslavia (Industry)

In Attendance

Major LOCKWOOD-TAYLER. Tptn., AG XIII Corps
Dr KOBE, B. Chief of Jugoslav Delegation
ING. SILOSEK, D. Electrical Expert, Jugoslavia
Major GOLOB, R. Transportation Expert, Jugoslavia

69. POST OFFICE OFFICIALS' DOCUMENTS.

The Chairman stated that Post Office Officials' documents, requested by the Jugoslavs, were sent to the Jugoslav Military Government at ABBAZIA (OPATIJA) on the 20th October, 1945.

70. FOUR IRON RAIL ROAD BRIDGES.

The Jugoslavs wished to know the present state of construction of four rail road bridges ordered from CANTIERI RIUNITI DELL' ADRIATICO and requested confirmation that the Allies' permission for the Jugoslavs to purchase these bridges still stood.

The Chairman stated the Allies had nothing against this transaction, as they stated before.

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71. USE OF MILLS IN POLA.

Ing. KOVACIC asked that she be given confirmation that the mills in POLA are permitted to deal with Jugoslav grain. The Chairman stated that

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Chairman

Lt. Colonel D.S. BICKERSETH
AAG XIII Corps

Members

ING. PERKOVIC, J. Jugoslavia (Commerce)
ING. DOLCAN, M. Jugoslavia (Industry)
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156

71. USE OF MILLS IN POL..

Ing. KOV..CIC asked that she be given confirmation that the mills in POL. are permitted to deal with Jugoslav grain. The Chairman stated that he had already informed Ing PERKOVIC that the mills could handle 1500 tons per month.

The Jugoslavs stated that they wished to bring grain by ship and take away the flour by motor vehicle. This was agreed in principle but the Chairman stated that he would require 10 days notice before the first shipment arrived, and it was agreed that detailed arrangements will be made at a conference to be held in POL., and which will include all interested parties.

72. ELECTRIC DETON..TORS FOR ..RS. MINE.

The Jugoslav delegates asked whether they could buy 200,000 electric detonators from Zone "..". The Chairman stated that this should be brought up in the next Fuel & Power Sub-Committee meeting to be held on the 7 Nov 45.

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73. CORK FLO[illegible] FOR BUOYS.

The Jugoslavs stated that they wished to buy cork floats for buoys which are situated at BRIONI and which serve both Allied and Jugoslav shipping, and which were normally supplied by a firm in TRIESTE for the whole of VENEZIA GIULIA.

The Chairman said he could see no objection to the transaction but that the matter should be referred through ordinary commercial channels, such as CONFIDO.

74. ESTABLISHMENT OF A JUGOSLAV OFFICE IN ZONE "A" TO DEAL WITH CLAIMS OF WAR DAMAGE SUSTAINED BY JUGOSLAV CITIZENS PERMANENTLY RESIDENT IN ZONE "A".

The Jugoslav delegates proposed that a Jugoslav office should be established in Zone "A" to deal with claims for war damage submitted by Jugoslav citizens permanently resident in Zone "A".

The Chairman stated that AMG is the only government in Zone "A" and that all claims for war damage will be dealt with by AMG.

The Jugoslavs then asked that this ruling be published in the local newspapers.

The Chairman suggested that this whole question be dealt with by the Finance Sub-Committee and their findings be passed to the Joint Economic Committee. This was agreed to.

75. PUBLISHING RIGHTS.

The Jugoslavs stated that Slovenes had had no cultural freedom under Fascist rule and now they feel that their publishing rights are hindered by old Italian laws. The delegates added that they will submit concrete details in letter form.

76. PURCHASES IN ZONE "A".

The Jugoslavs gave an example of the purchase of Vaseline and other commodities by a firm in LJUBLJANA from a firm in TRIESTE. It appears that these goods are blocked by AMG and the Jugoslav delegates requested that they be unblocked. The Chairman stated he would investigate the matter on full details being provided.

77. CRANES.

(a) The Chairman gave the AFHQ ruling upon the question of loaning a floating crane to the Jugoslavs. The decision was that a crane could not be lent until minesweeping had been carried out.

(b) In reply to the Jugoslav request to purchase an existing crane from TRIESTE the Chairman stated that the Port Control Committee had refused permission for the Jugoslavs to buy a crane.

78. SHIPPING.

(a) San Giovanni. POL. (see minute 67 of Joint Economic Committee meeting of 12 Oct 45)

155

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78. SHIPPING.

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155

The Chairman stated that an investigation had been carried out and it was established that the "S.S. GIOVANNI" came to POL. in 1943 and remained there, damaged, until very recently when it was repaired and sailed to TRIESTE. The Jugoslav delegates stated that they did not wish to pursue the question.

(b) "North" (see minute 87 of the Joint Economic Committee meeting of the 12 Oct 45).

The Chairman reported that he had heard from the owner of this ship that the matter was now closed.

(c) M/V "Marie Jose"

The Chairman handed the Jugoslav delegates a letter in connection with the above mentioned vessel which they promised to investigate.

/. . . . . .

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79. BUS SERVICES (see minute 76 of Joint Economic Committee meeting of 12 October 45).

The Chairman stated that he had investigated the complaint lodged by the Jugoslavs and he had found the firm RIBI in GORIZIA had no objection to re-opening the services in question except that they were prevented from doing so by the lack of tyres. An effort by AMG to obtain tyres through Allied Commission had been unsuccessful, but other means of satisfying the Jugoslavs' request were being examined.

80. TRANSHIPMENT OF GOODS ACROSS THE MORGAN LINE.

The Chairman stated AMG had been receiving requests from firms in Zone "A" including UNRRA to transport goods into Zone "B". Had the Jugoslavs any objection to transport crossing the Morgan line in either direction. The Jugoslavs stated they had no objection in principle but they had a strict control on exports from Zone "B" in order that UNRRA goods do not infiltrate into Zone "A".

The Chairman stated that he would take this opportunity to deprecate the amount of smuggling between the two zones, and in particular he mentioned Salt.

The Jugoslavs agreed and stated that they would welcome Allied cooperation in stamping this smuggling out.

81. CONVOYS OF CIVILIAN LORRIES AND A BUS SERVICE BETWEEN POLA & TRIESTE THROUGH ZONE "B".

The Chairman asked whether the Jugoslavs had any objection to AMG running a bus service, and convoys of civilian lorries, from POLA to TRIESTE and return, through Zone "B".

The Jugoslavs asked if they could use the convoys and buses for traffic themselves when there was free space. The Chairman agreed to this in principle and said it could be discussed at POLA at the meeting in connection with the flour mills.

Major TATHAM then intervened to state that the bus service had been arranged with the Jugoslav Military Government and the POLA - TRIESTE bus service starts on the 7th November, 1945.

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for J. R. SNOWDEN.
Major, D.A.A.G.
Secretary
Joint Economic Committee

JRS/HLC

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APPENDIX "C"

Copy No .....

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

JOINT ECONOMIC COMMITTEE
FINANCE SUB-COMMITTEE - MINUTES

13. The second meeting of the Finance Sub-Committee was held at 1000 hours, 8th November, 1945 in HQ AMG, XIII Corps.

PRESENT:

Chairman

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

Members

Ing KOVACIC - Jugoslavia
Dr HENDLIC - "

In Attendance

Lt. Col OSBORNE, AMG 13 Corps
Dr URSICIC - Jugoslavia

14. The minutes of the previous meeting were received and agreed.

15. CLOSING OF SLOVENE NATIONAL BANK IN TRIESTE.

The Jugoslav delegates expressed their astonishment at the sudden closing of their bank in TRIESTE, a bank which they stated had been open for a long time, serving the good of the population. The Chairman stated that although previously referred to as a private bank, latterly it had been stated by the Jugoslavs to be a branch of the State Bank of Jugoslavia and that no State Bank of any nationality could be tolerated in this zone, the main functions of a State Bank being the issuing of money and the carrying out of its Government's policy.

The Jugoslavs then asked if a branch of the Economic Bank of Zone B, an organ of the Jugoslav Military Government of Zone B, could be opened in Zone A.

The Chairman asked the Jugoslavs to submit an application to open this bank in the ordinary way and upon request promised to give copies of pertinent set of rules governing such an application. The Chairman then asked that he be furnished with a certificate from the Jugoslavs, by 0900 hours on the 9th in reference to the TRIESTE Branch of the Slovene State Bank, and which should contain the following points:

(i) that the bank is closed and will not re-open in Zone A

(ii) that deposits have been returned to depositors or that now

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Chairman

Lt. Col. N.T. BEARD.
C.P.O. AMG 13 Corps

Members

Ing KOVACIC - Jugoslavia
Dr BERLIC - "

In Attendance

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The Jugoslavs then asked if a branch of the Economic Bank of Zone F, an organ of the Jugoslav Military Government of Zone B, could be opened in Zone A.

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(i) that the bank is closed and will not re-open in Zone A

(ii) that deposits have been returned to depositors or that new accounts have been opened for them in the GIULLIA Bank. 153

The Jugoslavs promised to submit this certificate.

16. UNBLOCKING OF ACCOUNTS IN ZONE A AT BANKS WITH BRANCHES IN ZONE B

The Jugoslavs raised the question of deposits by Banks in Zone B with their Central Banks in Zone A, and deposits by individuals in Zone B with banks in Zone A.

The Chairman stated that the issue of Jugoslav currency in Zone B had changed the position vis-a-vis the two zones and had negatived the scheme for supplying currency for Zone B upon which he was working.

/. . . . . The questions were

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16. Cont. 29 (23)

The questions were discussed at considerable length, and the Chairman concluded the discussion by requesting the Jugoslavs to state in writing what it was they desired, and he would reply to them in writing.

17. COMMERCIAL INSURANCE COMPANY - FIUME
(See minute 9 of Finance Sub-Committee meeting of 2 Oct 45).

As promised the Jugoslav delegates submitted an answer to this question, in letter form.

18. SOCIAL INSURANCE.

Certain aspects of this problem had already been discussed by Lt.Col. OSBORNE and Dr. TONCIC and it was agreed that further discussions should take place on the following Monday afternoon.

19. JUGOSLAV CITIZENS IN ZONE A WHO WISH TO CLAIM WAR DAMAGE.

The Jugoslavs asked that they be allowed to open a Jugoslav Government Office in Zone A to deal with the war damage claims. This was categorically refused by the Chairman who explained at some length the AMG system of dealing with such claims without discrimination of race, and stated that he would be pleased to receive any Jugoslav or other citizen who had any difficulties.

20. SLOVENE AUTHORSHIP ROYALTIES.

In answer to a question the Chairman stated that all royalties accrued from performances in this area will be paid to the Slovene authors concerned in due course.

21. MONOPOLY GOODS - EVASION OF TAX.

The Chairman complained that very large quantities of Salt and Cigarettes are being smuggled into Zone A from Zone B, and asked for Jugoslav assistance in stopping this out. This was promised.

22. COMMERCIAL INSURANCE COMPANY, FIUME
(see minute 9 last Finance Sub-Committee meeting).

The Jugoslavs issued a report on the Fiume Insurance Company, and left a copy with the Chairman. They confirmed that commercial correspondence between Zone B and Zone A and ITALY was entirely free from control.

23. BANK OF ITALY - CANCELLED BILLS.

The Chairman stated he would submit a letter to the delegates upon the subject of the return of certain cancelled and other drafts from the Bank of Italy, FIUME, to the Bank of Italy, ROME.

24. METHOD OF PAYMENT BY JUGOSLAVS OF LARGE ORDERS PLACED IN ZONE A.

152

The Chairman stated he was being asked to finance concerns in Zone A who were receiving very large orders placed with them by the Jugoslavs

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24. METHOD OF PAYMENT BY JUGOSLAVS OF LARGE ORDERS PLACED IN ZONE A. 152

The Chairman stated he was being asked to finance concerns in Zone A who were working on very large orders placed with them by the Jugoslavs. These firms were now almost without capital and he asked the Jugoslavs in what manner they proposed to pay these people.

The Jugoslavs said they would consider the matter and submit a reply.

25. REPORT FROM "IL VOCE LIBERA."

The Chairman asked whether there was any truth in the statement in "IL VOCE LIBERA" that strikers in Zone B had been informed that they could change their CROATISCH lire at 6 Via CARDUCCI, TRIESTE.

The Jugoslavs said that there was no truth in the matter, and that they frequently derived amusement from this paper.

J.R. SHORTEN.
Major. RAOC
Secretary
Joint Economic Committee.

JRS/HLC

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

JEC/1.

19 October 1945.

NOV 2 1945

JOINT ECONOMIC COMMITTEE - MINUTES.

71. The seventh meeting of the Joint Economic Committee was held at 0900 hrs 12 October 1945 in the Main Conference Room at HQ XIII Corps, MG, TRIESTE.

PRESENT:

Chairman :	Brigadier W.H. RITCHIE, C.B.E., (D.A.& Q.M.G. 13 Corps).	
Members :	Col. A.H. HARLEY.	D.D.Tn. Trieste.
	Lt.Col. G.J. HOGG.	Dep & Tn, 13 Corps.
	Lt.Col. D.S. BIENENSTEIN.	Economic Adviser, MG 13 Corps.
	Lt.Col. J.T. BAIRD.	Chief Finance Offr.
	Major. J.E. PODMORE.	Public Works, MG 13 Corps.
	Major. H.L. HAYWARD.	Telecom Offr, MG 13 Corps.
	Dr. KOBE, B.	Jugoslavia, Chief of Delegation.
	PEHOVIC J.	Jugoslavia, Commerce.
	Ing. DOLGAN, M.	Jugoslavia, Industry.
	Ing. ZUKLINI, M.	Jugoslavia, Transport.
	URSIC, FRANC.	Jugoslavia, Commercial Tpt.
	Ing. KOVACIC, M.	Jugoslavia, Industry.

In attendance:

	Ing. SLKOSEK, D.	Jugoslavia, Electricity.
	BENLIC, S.	Jugoslavia, Finance.

72. MINUTES OF THE SIXTH MEETING.

The minutes of the sixth meeting held on 6 September 1945 were received.

73. TOURIST AGENCIES.

Dr. KOBE raised the question of tourist agencies pointing out that there were no agencies representing Jugoslavia in Trieste, but there were agencies representing Italy and elsewhere, also owing to the fact that parts of Jugoslavia, notably the Dalmation Coast, were dependent largely for their livelihood on tourists; the opening of this agency was an important consideration for the first tourists of the future. The Chairman requested that a written report on the matter be sent to the Secretariat. He stated he would pass the information to AFHQ : if this was unsatisfactory the matter should be passed through diplomatic channels.

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PRESENT:

Chairman :	Brigadier W.H. RITCHIE, C.B.E., (D.A.& Q.M.G. 13 Corps).	
Members :	Col. A.H. BARLEY.	D.D.Tn. Trieste.
	Lt.Col. G.J. ENGLI.	Mov & Tn, 13 Corps.
	Lt.Col. D.S. BIRKENSTEIN.	Economic Adviser, MG 13 Corps.
	Lt.Col. A.T. REID.	Chief Finance Offr.
	Major. J.E. PODEN.	Public Works, MG 13 Corps.
	Major. H.A. HAYWARD.	Telecom Offr, MG 13 Corps.
	Dr. KOEN, B.	Jugoslavia, Chief of Delegation.
	PEHOVIC J.	Jugoslavia, Commerce.
	Ing. POLGAR, M.	Jugoslavia, Industry.
	Ing. ZUNGHINI, M.	Jugoslavia, Transport.
	URSIC, Franc.	Jugoslavia, Commercial Tpt.
	Ing. KOVACIC, M.	Jugoslavia, Industry.
In attendance:		
	Ing. SIKOSEK, D.	Jugoslavia, Electricity.
	BERLIC, S.	Jugoslavia, Finance.

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74. TELEGRAPH CIRCUIT ZONE 'A' TO POLA.

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The Telecom Officer of MG 13 Corps reported that telegraph communications which had broken off in August had not yet been replaced. The hold up in reopening the line appeared to be caused through some difficulty in payments and it was agreed that the matter should be finally cleared up in the next sub-committee meeting.

75. EXPLOSIVES.

The Jugoslav delegation gave a copy of the analysis of the last consignment of explosive supplied, to the Secretariat, and asked that it be recorded that this explosive was not satisfactory.

/It was decided.....

(MISS S)

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It was decided that a decision whether or not the explosive be returned rested on whether the price charged would be satisfactory. This was to be investigated.

76. BUS SERVICES.

The Jugoslav delegation pointed out that there were no bus services from GORIZIA to POSTUMIA, CERKNO and IDRIA and that this situation was unsatisfactory to the population in parts of Zone 'B'. It was understood that the firm of RIBI, who ran bus routes, were prepared to re-open the service, but were prohibited from doing so. It was pointed out that the reason for this was a shortage of buses available and it was agreed that the matter would be immediately investigated.

77. Attention was drawn to an error in Minute 66, line 2 of the last meeting of the Committee - "alternative" should read "other".

78. FUEL AND POWER SUB-COMMITTEE.

The minutes of the sixth meeting were received.

79. REDIPUGLIA - OPICINA RAILWAY POWER LINE.

Capt. TURNER was contacted, as arranged at the sub-committee meeting., concerning the delivery of poles, and the matter was now in hand.

80. WHEREABOUTS OF DR. PUGLIA, OLIVO.

The Jugoslav delegation stated that they were not competent to deal with this matter and that any enquiries should be made through Legal Branch, Jugoslav Military Government.

81. ARSA COAL MINES.

(a) The Jugoslav delegation stated that the production from the Arsa mines was now 500 to 600 tons per day, which would grow daily and would reach the eventual target of 1000 tons per day, but that production is delayed at the present time, one reason being that AMG have refused permission for 300 miners domiciled in Zone 'A' to go to the mines.

The Chairman asked for full details of this refusal of permission to be furnished before the next meeting.

(b) With reference to Minute 35(b) of the Fuel and Power Sub-Committee minutes Dr. KOBE stated that as the Jugoslav delegation was fully empowered to answer all questions regarding the Arsa coal mines, no heed should be paid to statements made by any other persons.

(c) The removal of 4000 tons stock.

The removal of this coal by road was not within the competence of the Jugoslav delegation to decide, as it would require a new economic line of communication and permission for the use of British military transport on roads in Zone 'B', which is prohibited by the Trieste Agreement. Barges up to 500 tons

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(d) Mine clearance.

The Jugoslav delegates requested that an answer should be given to the Jugoslav Military Government letter to XIII Corps on the above question. They stated that they were already sweeping mines but considered Anglo-American assistance would be a gesture of good neighbourliness.

/The Chairman.....

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The Chairman stated that he would again give details to AFHQ on this matter and that a reply would be given as Appendix "A" to these minutes.

(e) Request for Allied Jugoslav Delegation to visit Arsa mines.

Dr. KOBE asked if as the question of the quantity of production had been answered and details given concerning transport, the Anglo-American request to visit the mines still stood, it being considered that confidence between allies on information provided between them should be sufficient.

The Chairman stated that the question still stood and that AFHQ would be informed of their attitude on this point.

Dr. KOBE explained that the power to grant permission would be out of the hands of the Jugoslav delegates and it would be necessary to write direct to the Jugoslav Military Government for permission to visit the mines.

82. INDUSTRY AND COMMERCE SUB-COMMITTEE.

The minutes of the sixth meeting of the Industry and Commerce Sub-Committee were received.

83. POST OFFICE OFFICIALS PERSONAL RECORDS.

These documents are said to be on the way and it was agreed to send them to the Jugoslo Military Government.

84. ILVA CONTRACT.

It was agreed that discussions on this matter should be broken off until the ruling of the War Booty Committee was known.

85. TOBACCO.

No details had yet been received on this matter. The Jugoslav delegation promised to give information of concerns holding export permits for sale of cigarettes and tobacco so that any negotiations would continue with the knowledge of AMG.

86. CRANES.

It was disclosed that no signal had been received from AFHQ concerning the supply of floating cranes to the Jugoslavs. It was pointed out that the MCIC had stated that none were available.

AFHQ was to be asked to expedite its reply.

87. SHIPPING.

'Worth' The question of the 'Worth' was still unsettled, as the account for repairs was disputed and the cost of repairs to other ships had been included. It was also uncertain where she was at present lying. It was [illegible]

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Dr. KOEE explained that the power to grant permission would be out of the hands of the Jugoslav delegates and it would be necessary to write direct to the Jugoslav Military Government for permission to visit the mines.

82. INDUSTRY AND COMMERCE SUB-COMMITTEE.

The minutes of the ninth meeting of the Industry and Commerce Sub-Committee were received.

83. POST OFFICE OFFICIAL PERSONAL RECORDS.

These documents are said to be on the way and it was agreed to send them to the Jugoslo Military Government.

84. ILVA CONTRACT.

It was agreed that discussions on this matter should be broken off until the ruling of the War Booty Committee was known.

85. TOBACCO.

No details had yet been received on this matter. The Jugoslav delegation promised to give information of concerns holding export permits for sale of cigarettes and tobacco so that any negotiations would continue with the knowledge of AMG.

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It was disclosed that no signal had been received from AFHQ concerning the supply of floating cranes to the Jugoslavs. It was pointed out that the MCIC had stated that none were available.

AFHQ was to be asked to expedite its reply.

87. SHIPPING.

'Marsh' The question of the 'Marsh' was still unsettled, as the account for repairs was confused and the cost of repairs to other ships had been included. It was also uncertain where she was at present lying. Lt.Col. BUTTERWORTH promised to investigate this and hand a reply with details to the Jugoslavs before next meetings. 149

'Jean' This ship is claimed by the French Authorities and should therefore pass through the War Booty Committee. Settlement for repairs by the Jugoslavs would then be dealt with between the French and Jugoslav Governments.

'Sea Chevron' The identity of this ship which is lying at POLA was to be established and whether or not it was brought into POLA before or after 2 May 45.

Lt.Col. PHILLIPS promised to undertake this investigation and report findings immediately.

It was agreed that provided identity could be established it could be moved at any time.

/'Italia'.....

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'Italia'. It was arranged that the owners should get in touch with the Jugoslav Military Government concerning collection.

'San Marco' It was agreed by the Jugoslav delegation that the firm of TRIPKOVIC could now salvage this vessel and bring it to Trieste so that it would not break up during the bad weather this winter.

88. In minute 66 (b) of the Sub-Committee Minutes of 2 October it was agreed that 'San Giovanni' should read 'Jean'.

89. COTTON SPINNING AT THE GORIZIA MILL.

The Jugoslav delegation stated that the matter had been taken up with BELGRADE but that no reply had yet been received.

Lt.Col. BICKERSTETH pointed out that the situation had materially altered owing to the firm having now received supplies of cotton from overseas.

90. TIMBER AND FIREWOOD.

Lt.Col. BICKERSTETH pointed out that Zone 'A' is very short of firewood and that on direction of higher authority he had been instructed to obtain timber from the normal sources of supply for this area which was Zone 'B'. Dr. KOBE explained that Zone 'B' was not as rich in firewood as was imagined, the Fascist policy having been to cut quite indiscriminately and that at moment 5 wagon loads per day were being provided from Zone 'B' through an agent. If further quantities were desired it would be necessary to move the wood from GORSKI KOTAR by train to FIUME and thence by ship to TRIESTE, which would entail minesweeping.

The Chairman asked if British motor transport could be used but Dr. KOBE stated that this would be impossible.

The Chairman pointed out that as no agreement could be reached, the instruction of higher authority could not be met, but he requested that the Jugoslavs should investigate the possibilities of increased quantities from Zone 'B'.

91. TRANSPORT.

The Minutes of the sixth meeting of the Transport Sub-Committee were received.

92. RAILWAYS.

The Jugoslav delegation considered that all railway services should be restored in Zone 'A' in the spirit of the Trieste Agreement but it was pointed out by Col. RILEY that there is no obligation on either side for a particular route to be given priority, and that the matter was a question of materials available for the routes which were most immediately necessary.

Col. RILEY continued that work had already started and would be completed by the first week in November on two bridges on the GORIZIA-UDINE line. These two bridges were at [illegible]

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Col. RILEY continued that work had already started and would be completed by the first week in November on two bridges on the GORIZIA-MUZZA line. These two bridges were at Km points 58.79 and 68.161.

This would mean that the railway would be through as far as the ISONZO viaduct at Km point 76.650. This viaduct was a big project to mend but was under examination and a report on it would be made later.

Col. RILEY stated that the brige at Km point 80.305 was in Zone 'B' therefore was Jugoslav responsibility. As a matter of information however it was not considered a safe bridge.

Col.RILEY further stated that at present it was not possible to mend the line PREVACINA - OPICINA without diverting military resources. This line was continually under review however.

/It was submitted that.....

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It was submitted that the Transport Sub-Committee was not now doing any work which was not within the powers of the Joint Operating Committee. It was therefore agreed to leave the Transport Sub-Committee in a state of "suspended animation" and any decisions for the Joint Economic Committee would be submitted direct from the Joint Operating Committee.

Dr. KOHE wished to record that the Jugoslav delegation was very pleased with the way the Transport Sub-Committee had worked and this point was unanimously agreed.

93. FINANCE.

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

94. BANKS.

The Jugoslav delegation stated that the application to open a Jugoslav State Bank was made on the 7 Aug 45. They asked if a reply to this question could now be given.

Lt.Col. BEARD pointed out that it was understood that the official application had not yet been made and would it be possible to supply a copy of the original application. Mr. BERDIC promised it would be supplied immediately.

95. TRANSFER OF BANK BALANCES FROM ZONE '..' TO ZONE 'B'.

Dr. TONCIC stated that the Jugoslav Financial Sub-Committee had received complaints from several banks in Zone 'B' that they were not receiving drafts of funds from their central banks in Zone '..' because AMG still prohibited the transfer of money from Zone '..' to Zone 'B'.

It was requested that this restriction be removed so that transfer of letters of credit or bills of exchange could be freely practised; it being especially desirable to enable, now and in the future, payments of bills of exchange in Zone 'B' by the agencies in Zone '..' or in Italy, through their central banks or through other banks.

An example is shown as Appendix 'B' to these minutes.

Col. BEARD stated that this matter would be investigated and that AMG would work according to the agreement previously reached on banking arrangements.

96. DEPOSITS IN BANKS OF VALUABLES OF ALLIED P.O.W.

It was agreed that the Finance Section AMG should write to the Jugoslav Military Government on this matter.

97. THE USE OF MILLS IN POLA FOR ZONE 'B'.

The Jugoslav delegation asked if the mills in POLA were working to capacity. If this was not the case could arrangements be made to undertake work from Zone 'B'. The answer to this question was to be given between meetings.

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It was requested that this restriction be removed so that transfer of letters of credit or bills of exchange could be freely practised; it being especially desirable to enable, now and in the future, payments of bills of exchange in Zone 'B' by the agencies in Zone 'A' or in Italy, through their central banks or through other banks.

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98. NEXT MEETINGS.

It was agreed that the next meetings will be held as follows :-

Finance Sub-Committee.	6 Nov 45 at 0900 hrs.
Industry and Commerce Sub-Committee.	6 Nov 45 at 0900 hrs.
Fuel & Power Sub-Committee.	7 Nov 45 at 0900 hrs.
Joint Economic Committee.	9 Nov 45 at 0900 hrs.

J.R. SNOWDEN,
Major, D.A.A.G,
Secretary,
JOINT ECONOMIC COMMITTEE.

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32	Commerce Sub-Commission, .LCOM. (.ttn: Coal Division).
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37	SC.O, .MG 13 Corps.
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40	Economic .dviser, .MG 13 Corps.
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42	Legal, .MG 13 Corps.
43	Finance, .MG 13 Corps.
44/45	Supplies, .MG 13 Corps.
46	Transportation, .MG 13 Corps.
47	Labour, .MG 13 Corps.
48	Public Works, .MG 13 Corps.
49/68	Jugoslav Delegation.
69	Commerce, .MG 13 Corps.
70	Capt. F.HRER, .MG 13 Corps.
71	File.
72/100.	Spares.

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11	US PO &D, AFHQ.
12	RESIDEN, AFHQ.
13	Tn(Main), ROME, GHF.
14	GOC, 13 Corps.
15/17	D.A &QMG, 13 Corps.
18	AQMG (Mov), 13 Corps.
19	Chief Commissioner, AMCOM.
20	HQ AMCOM.
21/30	Economic Section, AMCOM.
31	Public Wks & Utilities Sub-Commission, AMCOM (Attn: Chief, Electrical Division).
32	Commerce Sub-Commission, AMCOM. (Attn: Coal Division).
33	Industry Sub-Commission, AMCOM.
34	Finance Sub-Commission, AMCOM.
35	American Embassy, ROME.
36	British Embassy, BELGRADE.
37	SC.O, AMG 13 Corps.
38/39	D/SC.O, AMG 13 Corps.
40	Economic Advisor, AMG 13 Corps.
41	Public Relations Officer, AMG 13 Corps.
42	Legal, AMG 13 Corps.
43	Finance, AMG 13 Corps.
44/45	Supplies, AMG 13 Corps.
46	Transportation, AMG 13 Corps.
47	Labour, AMG 13 Corps.
48	Public Works, AMG 13 Corps.
49/58	Jugoslav Delegation.
69	Commerce, AMG 13 Corps.
70	Capt. PARKER, AMG 13 Corps.
71	File.
72/100.	Spares.

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APPENDIX 'A' TO MINUTES OF THE SEVENTH MEETING OF THE JOINT ECONOMIC COMMITTEE.

In compliance with the request submitted by the Jugoslav Delegation - shown as Minute 84 (d) - the Chairman visited AFHQ and fully represented the matter to that HQ.

AFHQ replied that it was doubtful if coal of sufficient quantity to affect the over all import of coal could be secured from the AMG Mines in the foreseeable future. The Allied experts were not satisfied that production could not be increased beyond 1000 tons per day and permission for them to visit the mines had been refused.

AFHQ had no assurance that sweeping the mines and providing shipping would produce any worthwhile allotment of coal. In these circumstances, therefore, the Allied Delegation was authorised to suspend further negotiations but should the Jugoslav Delegation come forward with a plan which appeared practicable, guaranteeing a worth-while supply, the situation should again be referred to AFHQ.

APPENDIX B

EXAMPLE OF COMPLAINT REFERRED TO IN MINUTE 95

Cassa di Risparmio Triestina
General Management.

Trieste.
3rd August, 1945

TO THE CHIEF OF OUR AFFILIATION, POSTUMIA GROTTE.

TRANSFER OF BALANCES

Further to our letter of 19 July we confirm that we have asked AMG several times to hasten an answer to our request for permission to transfer the agreed amount of 1,853,323 lire to the "Financial Institute of Slovenia" but without result.

To-day, having the advantage of the presence of your Mr TROJANIS, we insisted on being received by the Chief Finance Officer of AMG and we were received by him.

The Manager of the Bank of Italy and the Manager of the Cassa di Risparmio and your Mr TROJANIS took part in the talks. During the talks we again pointed out to the Senior Allied Officer that it was necessary that we should comply with the request of the "Financial Institute of Slovenia" and obtain payment of the agreed amount through this Affiliation.

We also requested authority to pay to the "Financial Institute of Slovenia" an amount in proportion to the needs of this Affiliation pointing out the needs of our depositors.

We are sorry to have to inform you that the representative of the AMG has flatly refused to authorise our request, pointing out that such transactions are absolutely prohibited. But he added that this matter must be treated directly between the "Financial Institute of Slovenia" and AMG, excluding our Institute which has not any recognised authority to deal in this matter.

Will you communicate this to the Representatives of the Jugoslav Military Authority, inviting them to follow the procedure as suggested by AMG.

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3rd August, 1949

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Will you communicate this to the Representatives of the Jugoslav Military Authority, inviting them to follow the procedure as suggested by AMG.

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With regards,

CASS. DI RISPARMIO TRIESTINA

P/to Rozzo

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HQ ALCOM

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

4 Oct 45

JOINT ECONOMIC COMMITTEE
AGENDA

NOV 27 1945

The seventh meeting of the Joint Economic Committee (per agreement of 20 Jun 45 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Jugoslav Army, will be held at 0900 hrs on SATURDAY 6 Oct 45, in the Main Conference Room, No.69, Headquarters AMG 13 Corps, TRIESTE, to consider the following agenda :-

1. Minutes of the sixth meeting held on 6 Sep 45.

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

   a. Fuel & Power Sub-Committee meeting of 3 Oct 45 (Appendix "A") (13)

   b. Commerce & Industry Sub-Committee meeting of 2 Oct 45 (Appendix "B") (11)

   c. Transportation Sub-Committee meeting of 1 Oct 45 (Appendix "C") (8)

   d. Finance Sub-Committee meeting of 2 Oct 45 (Appendix "D") (6)

3. Any other business.

4. To act a date for the next meeting.

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

Attachments :
Appendices "A", "B", "C" and "D"

/ca.

See F. 22

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(13)

JOINT ECONOMIC COMMITTEE

FUEL AND POWER SUB-COMMITTEE - MINUTES

33. The sixth meeting of the Fuel and Power Sub-Committee was held at 0930 hours on Wednesday 3 Oct 45, in the AMG, 13 Corps TRIESTE.

Present

Chairman - Major.J.E.FODEN, AMG, 13 Corps

Members

Major.G.P.HATCH - Mining Div, ALCOM.

Dug. KOVACIC,Marta - Jugoslavia.
DOLGAN,M. - Jugoslavia.
KOTNIK,Viktor - Jugoslavia.

In Attendance

Ing.SIKOSEK, Dusan - Electrical Rep - Jugoslavia.

34. ELECTRICAL POWER.

The Chairman stated that No 1 Railway Operating Group had made arrangements with the Jugoslavs for them to supply electrical transmission line poles for the repair of the REDIPUGLIA - OPICINA railway power line, and asked that the delegation contact Capt.TANNER, R.E., of No 1 Railway Operating Group to ensure the quickest possible delivery of those poles. Delay in completing repairs to the railway feeder will cause corresponding delays in repairs to the SELVEC 13 OKV line from CANOVA to OPICINA which brings in a large part of the electricity for domestic consumption.

The Jugoslav delegates undertook to contact Capt.TANNER.

35. FUEL.

a The Chairman referred to a report of the meeting of the representatives of ARSA and Jugoslav officials at ABBAZIA (OPATIJA) on the 5th Sept 45, and asked whether any information had been obtained regarding the present whereabouts of Dr. PUGLIA, Olindo, director of ARSA s.a. who was arrested by the Jugoslav police at ALBONA on 28 May. The delegation replied that they had no information and that they considered the matter did not come within the scope of this Sub-Committee. The Chairman observed that whether or not the matter came within the scope of the Sub-Committee a reply could do nothing but good.

b The Chairman referred to a report of the same meeting in ABBAZIA (OPATIJA) according to which a Jugoslav Political Commissar intervened in the discussion, and, saying he had twice visited the mines, declared that the output would be considerably reduced in comparison with that of the past so that no output over 500 tons daily is to be foreseen for the time being. The Jugoslav delegations attention was drawn to para 12 (d) of the Minutes of the Fuel and Power Sub-Committee meeting held on the 6th Aug 45, wherein it was recorded that :-

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"Assuming a sufficient supply of explocives, production can be increased in one month's time to 700 tons per day, and in a further 3 months to 1,000 tons per day."

Planning Div, ALCOM.

Dlg. KOVACIC, Marta - Jugoslavia.
DOLGAN, M. - Jugoslavia.
KOTNIK, Viktor - Jugoslavia.

In Attendance

Ing. SIKOSEK, Dusan - Electrical Rep - Jugoslavia.

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"Assuming a sufficient supply of explosives, production can be increased in one month's time to 700 tons per day, and in a further 3 months to 1,000 tons per day."

The Chairman asked the Jugoslavs whether the later figure of 500 tons per day maximum indicated an official change in policy regarding output. The delegation replied that the meeting at ABBAZIA (OPATIJA) was of a private nature and that they were unaware of what had transpired. The Chairman recalled that the meeting at ABBAZIA (OPATIJA) was arranged during the course of the last meeting of the Fuel & Power Sub-Committee which was therefore concerned with what had transpired. In view of the importance of production he asked the Jugoslav delegation to inform the Secretary of the Joint Economic Committee in writing at the earliest possible date, whether or not the target production remained as stated in the above mentioned minute.

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Major HATCH asked if the Jugoslav delegation could supply any information concerning the re-habilitation of the ARSA coal mine, in particular the current rate of production and the production for September. The Jugoslav delegation replied that the only information that they were prepared to give was that 4000 tons of coal were waiting on the quay at ARSA for collection by the Allies.

Major FODEN stated that arrangements has been made to transport this coal by Allied Motor Trucks to POLA for shipment. The Jugoslav delegation replied that this would be impossible as the road leading to the quay in question was blocked, and there were no facilities for loading motor transport.

36. SHIPPING SPACE

Major HATCH stated that a reply had now been received from AFHQ regarding the Jugoslav request for 3000 tons of shipping in continual use for the transportation of ARSA coal to Jugoslav ports. This reply stated that it would be impossible to make any shipping available until such time as a Joint Allied/Jugoslav Commission had visited the ARSA mine and reported on the potential production and on the loading facilities. The Jugoslav delegation replied that they would inform their Government.

37. EXPLOSIVE

The Jugoslav delegation stated that they had made an analysis of the five tons of explosive recently received from the Allies. This analysis showed that this explosive would ignite coal dust and was unsuitable for use in dusty and grassy mines.

Major HATCH replied that this explosive had been passed by the United States Bureau of Mines as a "permitted" explosive and was actually in use in the U.S.A. and Italy in dusty and grassy mines. The Jugoslav delegation stated that they were now in possession of an adequate supply of a suitable explosive of Jugoslav Manufacture.

38. OIL REFINERY R.O.M.S.A. FIUME

Major HATCH asked if the Jugoslav delegation now had the information regarding the oil refinery R.O.M.S.A. at Fiume which was asked for at the last meeting (Min 29, questions 1, 2 and 3.)

The Jugoslav delegation stated in reply to question 1 that the refinery was not working having been destroyed by Allied bombing and to question 3 that it was impossible to specify any material required for reconstruction as a completely new installation would have to be built.

39. POWER PLANT - ARSA

The Chairman asked what steps have been taken to repair the power plant in the VLAKCA Station at ARSA.

The Jugoslav delegates replied that the boilers were in order and that they were awaiting the purchase of 10 000 Kw. turbo-

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

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Major HATCH stated that a reply had now been received from AFHQ regarding the Jugoslav request for 300 tons of shipping in continual use for the transportation of AMSA coal to Jugoslav ports. This reply stated that it would be impossible to make any shipping available until such time as a Joint Allied/Jugoslav Commission had visited the AMSA mine and reported on the potential production and on the loading facilities. The Jugoslav delegation replied that they would inform their Government.

37. EXPLOSIVE

The Jugoslav delegation stated that they had made an analysis of the five tons of explosive recently received from the Allies. This analysis showed that this explosive would ignite coal dust and was unsuitable for use in dusty and gassy mines.

Major HATCH replied that this explosive had been passed by the United States Bureau of Mines as a "permitted" explosive and was actually in use in the U.S.A. and Italy in dusty and gassy mines. The Jugoslav delegation stated that they were now in possession of an adequate supply of a suitable explosive of Jugoslav Manufacture.

38. OIL REFINERY R.O.M.S.A. FIUME

Major HATCH asked if the Jugoslav delegation now had the information regarding the oil refinery R.O.M.S.A. at Fiume which was asked for at the last meeting (Min 29, questions 1, 2 and 3.)

The Jugoslav delegation stated in reply to question 1 that the refinery was not working having been destroyed by Allied bombing and to question 3 that it was impossible to specify any materials required for re-construction as a completely new installation would have to be built.

39. POWER PLANT - ARSA

The Chairman asked what steps have been taken to repair the power plant in the VELSCA Station at ARSA.

The Jugoslav delegates replied that the boilers were in order and that they were awaiting [illegible] to purchase [illegible] 10,000 Kw. turbo-[illegible]

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

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(11)

APPENDIX "B". COPY NO. 4

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

2nd October, 1945.

59. The sixth meeting of the Industry and Commerce Sub-Committee was held at 09.0 hours on Tuesday, 2nd October, 1945, in the Economic Section Conference Room, at H.Q. AFHQ XIII CORPS, CASERTA.

PRESENT.

Chairman - Lt-Col. D.G. BUTCHERTH, G.S.O. XIII CORPS.

Members - Major H.C. BRADBURY — Chief Industry Officer, H.Q. A.C., XIII CORPS.
[illegible] — J. COMMERCE (Commerce).
Eng. [illegible], Viktor — J. COMMERCE (Industry).
Eng. Dudek, Marijan — JUGOSLAVIA (Industry).
[illegible], Pietro — J. COMMERCE (Industry).

60. JOINT ECONOMIC COMMITTEE' PERSONNEL REQUIREMENTS.

The Jugoslav delegates returned with requests for personnel documents of Joint Mission employees in Zone B. The Chairman reported that these were not yet to hand but stated he would write to JECLA for them and that they should be ready in a week.

61. I.M.V.G. BOARDS.

The Jugoslav delegates once more brought up the question of commencing the [illegible] from the I.M.V.G., but the Chairman stated he had nothing to add to the ruling laid down in the ultimate sentence of para. 55 of the minutes of the Joint Economic Committee meeting held on the 6th September, 1945.

62. TOBACCO.

The Jugoslavs stated that two firms in Zone B wished to send 2,570 Kgs. of tobacco to a firm in Zone A who would pay a consignment in shoes. The Chairman made the following two points:

(a) That any tobacco received in this case would be dealt with through the Monopoly, and,

(b) that the question of import of shoes would have to be [illegible] by AFHQ.

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PRESENT:

Chairman :- Lt-Col. D.S. BIRCH, O.B.E. XXIX CCLPs.

Members :- Major H.G. BRADSHAW — Chief Industry Officer, H.Q., XXIX CCLPs.
PEJOVIC, Jovan — J. GOSPODARSTVA (Commerce).
Ing. JOVIC, Viktor — J. GOSPODARSTVA (Industry).
Ing. DOLINAR, Avgust — JUGOSLAVIJA (Treasury).
KOVACIC, Janko — JUGOSLAVIJA (Industry).

60. [illegible] OF [illegible]' [illegible] TO [illegible].

The Jugoslav delegates reported that requests for [illegible] accounts of [illegible] employees in Zone B. The Chairman replied that these were not yet to hand but stated he would write to POLA for them and that they should be ready in a week.

61. I.T.Y... [illegible].

The Jugoslav delegates then more brought up the question of [illegible] requisition from I.T.Y... but the Chairman stated he had nothing to add to the ruling laid down in the 41st Minute of Para. 22 of the Minutes of the 3rd Reparations Committee Meeting held on the 6th September, 1945.

62. TOBACCO

The Jugoslavs stated that two firms in Zone B wished to send 2,570 Kgs. of tobacco to a firm in Zone A who would pay a compensation in shoes. The Jugoslavs made the following two points:

(a) that any tobacco retailed in this zone would be done so through the monopoly, and,

(b) that the question of export of shoes would have to be examined by them.

The Jugoslavs stated that the firms would submit full details of the proposed transaction.

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cp. (a)/

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(4)

2

67. [illegible]

The Secretary of State to the Embassy in the Soviet Union

[illegible]

Washington, [illegible]

[illegible]

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APPENDIX "C"

COPY NO. 34

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

JOINT ECONOMIC COMMITTEE
Transportation Sub-Committee - Minutes

45. The sixth meeting of the Transportation Sub-Committee was held at 1700 hours on Monday 1st October 1945, at HQ Allied Military Government, XIII Corps, Trieste.

PRESENT

Chairman	-	Colonel A.H. Earley, O.B.E.
Members	-	Lt-Col G.W. Brown (for Lt-Col H.D.Phillip, absent)
		Mr. Zurlini, Maksimilijan
		Mr. Ursic, Franc
In Attendance	-	Colonel C.H. Barnett
		Lt-Col L.C. Parnell
		Lt-Col D.C.I. Reynolds
		Ing Slejko, Maks
		Dr. Dekleva, Leon
		Mr. Rebolj, Marko

46. The minutes of the fifth meeting of the Transportation Sub-Committee were approved.

47. Restoration of Train Service St. LUCIA TOLMINO - AUZZA

The Jugoslav members asked whether through running of trains from St. LUCIA TOLMINO to AUZZA, suspended by Allied Military Government, could be restored. The Sub-Committee considered this point should be handled by the Joint Operating Committee.

48. Train Service on the ATTUSSINA Branch

The Jugoslav members stated that they considered the train service on this branch should be increased. The Sub-Committee considered this question was one for the Joint Operating Committee.

49. Repair of Railway : GORIZIA - AUZZA

The Chairman gave details of the work involved in putting this line into a satisfactory state of repair: this included the permanent repair in concrete of three bridges (at km points 58.79, 68.161 and 80.305), and a semi-permanent repair in steel of the 8-arch viaduct across the ISONZO at km point 76.650 near CANALE d'ISONZO.

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The whole work was estimated to take six months (after all...

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Chairman	-	Colonel A.H. Berley, O.B.E.
Members	-	Lt-Col G.W. Brown (for Lt-Col H.D.Phillip, absent)
		Mr. Zurlini, Maksimilijan
		Mr. Ursic, Franc
In Attendance	-	Colonel C.H. Barnett
		Lt-Col L.C. Parnell
		Lt-Col D.C.I. Reynolds
		Ing Slejko, Maks
		Dr. Lekleva, Leon
		Mr. Rebolj, Marko

46. The minutes of the fifth meeting of the Transportation Sub-Committee were approved.

47. Restoration of Train Service St. LUCIA TOLMINO - AUZZA

The Jugoslav members asked whether through running of trains from St. LUCIA TOLMINO to AUZZA, suspended by Allied Military Government, could be restored. The Sub-Committee considered this point should be handled by the Joint Operating Committee.

48. Train Service on the AIDUSSINA Branch

The Jugoslav members stated that they considered the train service on this branch should be increased. The Sub-Committee considered this question was one for the Joint Operating Committee.

49. Repair of Railway : GORIZIA - AUZZA

The Chairman gave details of the work involved in putting this line into a satisfactory state of repair: this included the permanent repair in concrete of three bridges (at km points 58.79, 68.161 and 80.305), and a semi-permanent repair in steel of the 8-arch viaduct across the ISONZO at km point 76.650 near CANALE d'ISONZO. 137

The whole work was estimated to take six months (after allowance for the time needed to let contracts) and involved, in the case of the ISONZO viaduct at km 76.650, the use of military resources of personnel and materials which could not at present be spared.

The Jugoslav members then suggested a modified scheme, involving only the repair of the bridge near PLAVA (km 68.161), making use of steel girders already on site and of steel trestling shortly to be rendered surplus from the SABLICE bridge repair (near DUINO on the main line from TRIESTE to MONFALCONE): they suggested that traffic could be maintained over the two bridges at km 58.79 and km 80.305 without any further work, and that the repair of the ISONZO viaduct at km 76.650 be left in abeyance, a shuttle road service to be run to cover the gap thus left in the route. The Allied members agreed to examine this proposal, and would endeavour to give a reply at the meeting of the Joint Economic Committee on 5 October. ...../The Chairman asked..

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(7)

The Chairman asked the Jugoslav members to state what traffic they required to move over the line if it were repaired. The Jugoslavs replied that the line was needed to give access to GORIZIA from isolated valleys in the Jugoslav zone of VENEZIA GIULIA.

50. Supply of Wagons for UNRRA Traffic (ref Min 39).

The Chairman gave details of the reply from Allied Force Headquarters to the Jugoslav request for assistance, as follows:

(a) The shortage of rail wagons which was being experienced by the Jugoslavs, as a result of the longer turn-round within JUGOSLAVIA, was fully realised. It was however beyond the powers of Allied Force Headquarters as a military headquarters to authorise the transfer of wagons from ITALY to JUGOSLAVIA.

(b) It should be noted that there was also a serious shortage of rolling stock in ITALY where the majority of wagons was being used for movement on military account. It would not be possible to spare any wagons from ITALY without interfering with essential civil programmes.

(c) The Jugoslav Government must present its case to UNRRA and/or the Allied Governments through diplomatic channels that the shortage of rolling stock was causing economic hardship within JUGOSLAVIA, stressing the urgency of the request.

(d) It was understood that JUGOSLAVIA would join the European Central Inland Transport Organization formed in LONDON on 27 September 1945. The Jugoslav Government should present a detailed statement of its rolling stock position to that organization at an early date.

(e) As regards wagon shortages which might arise from bunching in the arrival of UNRRA ships at TRIESTE, an even flow of wagons to JUGOSLAVIA would be maintained as far as possible by holding stores in transit sheds at TRIESTE. In such circumstances, however, The Director Allied Military Railway Service would allow the agreed balance of 200 wagons to the Jugoslavs to be temporarily exceeded as on previous occasions.

51. The meeting concluded at 1800 hours 1st October.

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

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51. The meeting concluded at 1800 hours 1st October.

136

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

DISTRIBUTION

1. Chairman, Joint Economic Committee.
2. DA & QMG, XIII Corps.
3. AQMG (Mov) XIII Corps)
4. Economic Adviser, XIII Corps.
5. Director, Public Works & Utilities Sub-Comm.,H.Q. ALCOM
6. Coal Division, Commerce Sub-Commission, H.Q. ALCOM
7. Industry Sub-Commission, HQ ALCOM
8. Public Relations Officer, AMG XIII Corps.
9. File
10. 80 Agenda - Joint Economic Committee Meeting.

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80 (6)

APPENDIX "D"

Copy No 34

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

JOINT ECONOMIC COMMITTEE
Finance Sub-Committee - Minutes

1. The first meeting of the Finance Sub-Committee as separate from the Industry and Commerce Sub-Committee was held at 0930 hours 2 October 45.

PRESENT

Chairman	-	Capt.W.C.STUART	-	FO HQ,AMG, 13 Corps
Members	-	Mr.Simon BERLIC	-	Jugoslavia (Financial Adviser)
		Dr.Fran. TONCIC	-	Jugoslavia (Financial Adviser)
In attendance	-	Lt-Col.PARNELL	-	AD TN (P)

MINUTES OF THE INDUSTRY & COMMERCE SUB-COMMITTEE

2. The minutes of the Industry and Commerce Sub-Committee were received and minutes 46 and 49 to 53 affecting the Finance Sub-Committee were studied.

MOVEMENT OF CURRENCY BETWEEN ZONES A & B

3. The Jugoslavian Delegation stated that the agreement as shown in minute 46 of Industry & Commerce Sub-Committee meeting on 4 Sep 45, has been carried out in Zone B.

OPENING OF JUGOSLAV STATE BANK

4. The Jugoslav representatives acknowledged receipt of the direction by AMG Chief Finance Officer re application for opening of the Istituto Finanziaro Slovene, per minute 50 of the 4 Sep, Sub-Committee meeting and No 60 of the Joint Economic Committee, 6 Sep 45. Conformity with the laws in question was proving very difficult of interpretation and direct contact with AMG would be made on this point.

It was stated by the Chairman that agreement to the continuance of the "status quo" had been conditional on immediate submission of the application (minutes 60 of JEC, 6 Sep). In particular, the use of

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PRESENT

Chairman	-	Capt.W.C.STUART	-	FO HQ,AMG, 13 Corps
Members	-	Mr.Simon BERLIC	-	Jugoslavia (Financial Adviser)
		Dr.Fran. TONCIC	-	Jugoslavia (Financial Adviser)
In attendance	-	Lt-Col.P.ARNELL	-	AD TN (F)

MINUTES OF THE INDUSTRY & COMMERCE SUB-COMMITTEE

2. The minutes of the Industry and Commerce Sub-Committee were received and minutes 46 and 49 to 53 affecting the Finance Sub-Committee were studied.

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4. The Jugoslav representatives acknowledged receipt of the direction by AMG Chief Finance Officer re application for opening of the Istituto Finanziaro Sloveno, per minute 50 of the 4 Sep, Sub-Committee meeting and No 60 of the Joint Economic Committee, 6 Sep 45. Conformity with the laws in question was proving very difficult of interpretation and direct contact with AMG would be made on this point.

It was stated by the Chairman that agreement to the continuance of the "status quo" had been conditional on immediate submission of the application (minutes 60 of JEC, 6 Sep). In particular, the use of

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premisesin an existing bank could not conveniently be continued; the Jugoslav representatives undertook to take every possible step towards finding other premises.

BANKING

5. . The Jugoslavian Delegation stated that minute 50 of the Industry and Commerce Economic Sub-Committee meeting was not being completely observed in Zone A, and that detailed examples would be provided.

The Chairman stated that all the necessary arrangements had been made in Zone A and any failure brought forward for examination would be dealt with. The one complaint of which particulars were given would be reported on at the next meeting.

ITALIAN STATE PENSIONS

6. In reply to the question at the previous meeting as to whether the Italian State pensions were being paid in Zone B, the Jugoslavian Delegation stated that no information could be given on this matter, but that there had been no complaints so far.

SOCIAL INSURANCE

7. The Jugoslavian Delegation stated that Social Insurance had been working since August 1945 with validity from 1 May 45. The Chairman stated that any documents required by the Jugoslavian Authorities which would assist in this matter would be supplied. The Jugoslavian representatives agreed that similar assistance should be given for insured persons in Zone A from Zone B, if it was needed.

RESIDENT JUGOSLAV MEMBER

8. Dr. Tonolo, who is residing in Trieste, reported that his services were available in daily matters dealing with Finance between Zones A and B so that time could be saved. His address is via XXX Ottobre 13, Tel.55-69.

COMMERCIAL INSURANCE COMPANY FIUME

9. The Chairman reported that the Insurance company referred to in Minute 61a of the Joint Economic Committee of 6 Sept 45 was "La FIUME" and asked whether the Jugoslav delegation could now deal with the enquiry. The Jugoslav delegates had no information but would report as fully as possible at the next meeting and inform

BANKING

5. The Jugoslavian Delegation stated that minute 50 of the Industry and Commerce Economic Sub-Committee meeting was not being completely observed in Zone A, and that detailed examples would be provided.

The Chairman stated that all the necessary arrangements had been made in Zone A and any failure brought forward for examination would be dealt with. The one complaint of which particulars were given would be reported on at the next meeting.

ITALIAN STATE PENSIONS

6. In reply to the question at the previous meeting as to whether the Italian State pensions were being paid in Zone B, the Jugoslavian Delegation stated that no information could be given on this matter, but that there had been no complaints so far.

SOCIAL INSURANCE

7. The Jugoslavian Delegation stated that Social Insurance had been working since August 1945 with validity from 1 May 45. The Chairman stated that any documents required by the Jugoslavian Authorities which would assist in this matter would be suggested. The Jugoslavian representatives agreed that similar assistance should be given for insured persons in Zone A from Zone B, if it was needed.

RESIDENT JUGOSLAV MEMBER

8. Dr. Tonolo, who is residing in Trieste, recorded that his services were available in daily matters dealing with Finance between Zones A and B so that time could be saved. His address is via XXX Ottobre 13, Tel.55-69.

COMMERCIAL INSURANCE COMPANY FIUME

9. The Chairman reported that the Insurance company referred to in Minute 61a of the Joint Economic Committee of 6 Sept 45 was "LA FIUME" and asked whether the Jugoslav delegates could now deal with the enquiry. The Jugoslav delegates had no information but would report as fully as possible at the next meeting and inform the sub-committee whether records and files could be made available in respect of insurance contracts outside of B Zone.

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(4).

FOREIGN EXCHANGE

10. Both the Allied and Jugoslavian parties have presented the proposal concerning foreign exchange to higher levels in accordance with minute 53 of sub-committee meeting of 4 Sept 45. There were no further questions.

DEPOSITS IN BANKS OF VALUABLES OF ALLIED P.O.W.

11. A request was submitted by the Chairman to the Jugoslavian Delegation, that an investigation should be made to learn if any valuables or money belonging to Allied Prisoners of War were deposited in any of the banks in Zone B.

The Jugoslav Delegation said that investigations would be made and a reply given at the next meeting as to any accounts of this kind in existence in Zone B.

The Chairman passed to the Jugoslavian Delegation, for information, the address of HQ Allied P.W. Repatriation Unit.

NEW CURRENCY IN ZONE B

12. The Chairman asked if there were any changes in currency arrangements in Zone B, as the currency position of Venezia Giulia as a whole might be affected in such event.

The Jugoslavian Delegation stated that there is at present no difference. A plan is being put forward for new currency but details are not yet available.

The Jugoslavian Delegation asked if there was any information as to the quantity of currency in circulation in Zone A.

The Chairman stated that no information had been obtained on this matter.

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

133

DISTRIBUTION:
1. Chairman, Joint Economic Committee.
2. DA & QMG, XIII Corps.
3. Economic Adviser, HQ AMG XIII Corps.
4. Finance Sub-Commission, HQ ALCOM.
5,6,7, Area Commissioners (for APO's).
8. Chief Finance Officer, AMG XIII Corps.
9-100 Agenda - Joint Economic Committee Meeting.

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

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12. The Chairman asked if there were any changes in currency arrangements in Zone B, as the currency position of Venezia Giulia as a whole might be affected in such event.

The Jugoslavian Delegation stated that there is at present no difference. A plan is being put forward for new currency but details are not yet available.

The Jugoslavian Delegation asked if there was any information as to the quantity of currency in circulation in Zone A.

The Chairman stated that no information had been obtained on this matter.

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

133

DISTRIBUTION:
1. Chairman, Joint Economic Committee.
2. DA & QMG, XIII Corps.
3. Economic Adviser, HQ AMG XIII Corps.
4. Finance Sub-Commission, HQ AMGOT.
5,6,7, Area Commissioners (for APO's).
8. Chief Finance Officer, AMG XIII Corps.
9-100 Agenda - Joint Economic Committee Meeting.

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1205 ✓

INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

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Date Time Rec'd: NOV. 241730A
Precedence: ROUTINE

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TO : H.Q.ALCOM.

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