

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

785017

ACC

10000/109/953
(VOL. I)

Declassified E.O. 12356 Section 3.3/NND

No.

785017

10000/109/953
(VOL. I)

COAL
MAY-AUG. 1945

Ex. Comm117

Please note folio 116 & the note attached from C.C.'s office. In connection with the matter of having an A.C. member as observer & advisor to U.S. & U.K. members Mr. Kirk suggests that it may be desirable to have an Italian official in London to consult with members of the European Com organization & A.C. representatives. - If you will note folio 101 - Sig de Gennaro is asking for just such representation by the A.C. Govt. & the C.C. has replied as per folio 108. In view of Mr. Kirk's letter however you may consider it timely to discuss & consider the A.C. Govt. request in the light of U.S. Ambassador's remarks underlined at folio 116.

SAH
12/8/45

118

20/8. There is a letter now en route from APTA to the Com dealing with the overall economic committee in London. When this letter is received reply can be made to 116. 2320 J

95

Edo

for the Comm & C.C.'s info - please note file 94.

Edo
S29/3

97

Edo

for info from 96

Edo
S29/3

102

103

Chief Commissioner.

P94

Attached is submitted for your signature/information/approval.

103

772/3/4
Edo
Edo

114

Edo

It is 48 clear 4842 in 48819
CC has seen 110. Big Auditor's

Copy sent to
CD 2-9-73

Chief Commissioner.

P94

Attached is submitted for your signature/information/approval.

172 (3/100) Noted by CCB
[Signature]

114

Ex Case

It is not clear whether a 12819
CC has seen 110. Big Ruden's
Comments on it are at 111.
112 takes the matter a stage
further but 110 has not been
answered. CC may, however
have spoken with 111. Kirk.
Your instructions please
S. 12/8.

No further action necessary 12/8
11.

785017

2 25
JulyChief
Comma-
sioner.

VA

I think you should read the report by Colonel Green on the coal situation in SARDINIA. While the draft letter prepared by Room 3 Section answers the points made in Colonel Green's recommendations, I myself feel that we really have not tackled the Sardinian coal problem successfully. For nearly two years we have had coal experts in the island and the results are that at this stage an independent observer can point out that we fall short of the maximum production by 50 per cent. Colonel Green is perfectly right in paras 1, 2 and 6 of his conclusion. I myself feel that the change in personnel of the coal experts in SARDINIA might be the key to the problem.

91B MS 25/7

*I have read the report.
If you feel the reply should be checked.
- CC*

No - I now submit letter for signature.

PAGE 91C

Use other side

MS 25/7

Ex Comm

Ref 89. This is last understanding

though it may be seen anti-Communist propaganda. The facts

are (1) The Board is not an approached Mel. But not when he expects to Mel about 80,000 tons a boat

(2) The hitch is in board, Transportation: Sea test are dealing with to follow up ref 87.

28/7

91

Please draft letter to EN Patti for

my signature

28/7

has done so & this is correct 28/7

PRO

though today.

- and
- (1) Mr. Rossi ~~is~~ has approached Mel. for an interview regarding the Mel. about 80,000 tons of coal.
 - (2) Mr. White is, as usual, Transportation: Even best are dealing with it. Follow up ref 87.

28/7

91

Please draft letter to CIA for

my signature

MS (28/7)

PRO

has done so & this is correct 28/7

through today.

D.

28/7. 4/30/7

64
Ref. p. 63. How request to be
signed on 7/10/65
C. J. 10/1/65

5/1/67
66

Capt. A. J. 10/1/65
Ref. p. 63A. to Capt. Talbot spoke
to the Army of Economic Section - N.F.A.
requested by this office
C. J. 10/1/65

650 Ref. p. 61 - please see p. 67 & 69 for action taken.
C. J. 10/1/65
7/1/67

650 Folio 76 is in copy 2, my follow up is on p. 652316
also for up please see min 57 & 58
(See 7/10/67)
C. J. 10/1/65

Capt. Ransley

Ref folio 63A. to Capt Talbot spoke
to Mr Askey of Economic Section - N.F.A.
required by this office -

Ransley
p.c.d.

10/7/45.

L.S.O. ⁷⁰ Reference from L. - please see folios 67 & 69 for action taken.

Ransley
21/7/45

9/1/47

78

L.S.O. Folio 76 is in reply & my follow up is on folio 652316
also for info please see min 53 & 55
(See folio 41)

Ransley
25/7/45 con well

88

L.S.O. Please see folios 73 & 74. - Reply from Mr. L.S.O. on folio
82 & 83.

Ransley
27/7/45

NOTE

54

Ref 50. Para 1: has
already been denied in
Italian Press. Para 2: PRB
advise against any stirring
up of the Soviet/Rus kindly
Subject. In 5/5. Spoke last. Polad B
who agreed

per 5/5/45

57
Please see files 56 from Brig Anderson re
Anderson moves (over). The copies 2 files 53.
C. F. 7/7/45

58

C. F. 7/7/45
M see 56. C. F. has work 23A5
in 5/5/45

advise against any stirring
up of the Samuel R. Gandy
Subject. See bit Polar B
who agreed
S. 8/7

W. 8/7

57
Please see files 56 from Big Anderson re
Anderson mines (cont). Also refers to files 53.
C. 7/1/45

58

Ca Fuki.
M see 56. C. 6. long
write to H. Kiki (ref 53) but
there is a dropped in sent
here saw H. Kiki letter to
C. 7/7.

59
7/7 Maj Stearns
The letter is report to which 56 refers were
to be in file. It is not, or not in EC.
E.C. Copy referred to will be sent to you.

in this report and looked to
be kept informed. Will please
advise

13/6 MR/23/6

See Comm

44

Please see folio 43 para 2 Brig. Anderson's reply
to your memo of 20 Jan 1945 (folio 39)

CRB 27/4/45

42816

48

CRB

For info please see folio 47

CRB 30/4/45

2314

52

CRB. Please see folio 50 from Pet Adm. v. Turner & Anderson 3 and ships.
Folio 49 is in reply to para 1 of folio 50. - ~~CRB~~ you intend to take
action on Pet Adm. suggestion? As regards para 2, have you asked
them to be investigated? If not, I shall be glad to do so & advise
you when info is recd.
CRB 2/5/45

Chief, Communications

Attached is a list of your information/signature/initials.

1 Agree → An excellent memo on cost by Bill Anderson.
The implications of new format on sensor.

1 Ths do. With draft com to AFHQ. Cofin KE-6000
End cc Action M/D 12/13/64

lbb Exp Comm & see folio 12. in reply to the 5010/100 of 5 May.
18/ 8/9/64

20

lbb Draft of law & comm is for Ex Comm approval
8/9/64

21

lbb For your signature (22 copies)

2312

1 This do. with draft com to AFHQ. Cofin to EMBARRASSED
W.D. cc Action W.D. (3/14)

lto Exp Comm to see foris in. in reply to his 50101-100 of 52000.

GP. 9/15/46

70

lto Drop of ltr & copy is for E. Comm approu

GP. 9/15/46

21

lto For your signature (23 refused)

GP. 9/15/46

26

V.P. Econ Sec

I suggest a weekly reminder column for

news on p. 26.

MS 746

PA. 1/2

2312

TO : Economic Section. ^{1.}
Attn: Brigadier ANDERSON.

Do you agree with facts and figures in attached draft telegram?

MS/14/5

See ^{8.}
Please see Brigadier Anderson's amendment
to your draft cable.

2311

^{9.}
Issue as amended MS/15/5 — See folio 10.

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

785017

To: Executive Commissioner

14 Aug 45

The Chief Commissioner passes the attached letter to you for such action as may be appropriate. He desires that the question be discussed with the Economic Section.


L.W.S.



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Rome, Italy,
August 11, 1945.

RESTRICTED

AUG 14 1945

Rear Admiral Ellery W. Stone,
Chief Commissioner,
Allied Commission,
Rome.

My dear Admiral:

With regard to the question of Italian representation in the European Coal Organization, I have been informed by the Department of State that at the present time, in its opinion, Italian interests can most appropriately be represented at meetings of the European Coal Organization through a representative of the Allied Commission. Since the Allied Commission now is primarily responsible for imports of coal into Italy, the Department is in agreement with the suggestion (made in SAC 1455 to SACMED) that a military representative be appointed and, by inference, that such a representative would preferably be an official of the Allied Commission in view of its continuing responsibility for coal imports after military imports have ceased.

In the opinion of the Department, the Allied Commission representative should attend all meetings of the Organization as an observer and should advise the United States and United Kingdom members regarding Italian requirements. The Department foresees that Italian requirements should receive adequate consideration under the foregoing procedure but it also sees that there may be some advantage in the Italian Government having an official in London, if it desires, who could consult with and advise members of the European Coal Organization and the Allied Commission representative informally with regard to Italian coal problems.

The Department

(Caro Admiral)

Sec 163
and 1717

-2-

The Department adds that its views are known to officials of the Italian Embassy in Washington and may consequently also be known now to the Italian Government.

Sincerely yours,

A. W. H.

CC 4027

11 August 1945

AUG 12 1945

My dear Mr. Ambassador:

Thank you for your letter of 7
August with reference to the question of coal
for Italy which I note with great satisfaction.

Sincerely,

/s/ Ellery W. Stone

ELLEERY W. STONE
Rear Admiral, USNR
Chief Commissioner

The Honorable Alexander Kirk,
American Ambassador,
119 Via Vittorio Veneto,
Rome.

CC DISTRIBUTION:

Exec. Comm.
Econ. Sec. (2)

(See file 115-115)
200
14
A

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Rome, Italy
August 7, 1945

RESTRICTED

AUG 12 1945

Rear Admiral Ellery W. Stone,
Chief Commissioner,
Allied Commission,
Rome.

My dear Admiral:

With reference to the matter of Italian-Polish coal negotiations, I am pleased to bring to your attention the following paraphrase of a cable received from the Department of State:

"Combined Boards have jurisdiction of Polish coal. Combined Boards have for the period September through December 1945, allocated to Italy 367,000 tons of coal a month, all to come from the United States. However, the amount may be reduced depending on availability of shipping. As indicated in a previous cable and in view of obvious desirability of early restoration of trade with European countries, the Department is favorable to the Italians negotiating to obtain additional coal from the Poles and Czechs. Whether Polish and Czechoslovakia exports to Italy would result in an equivalent reduction of allocations to Italy by Combined Boards after December can not now be determined. Any arrangements should be subject to recommendations of ECO in order to assure equitable distribution of European coal resources. The Department does not contemplate that ECO would be concerned unless it seemed likely that purchases would decrease the amount of Czech and Polish coal that could be shipped to other countries of Europe. It is hoped that Czechs and Poles will become members of ECO shortly."

In accordance with the Department's instructions, the foregoing information has been communicated orally to the Director General of Economic Affairs in the Italian Ministry of Foreign Affairs.

Sincerely yours,

A. Kirk.

DO NOT SIGNATURE:

Exec. Comm.
Econ. Sec. (2)

2366

785017

Tel. 406

5016
HEADQUARTERS ALLIED COMMISSION
APC 394
ECONOMIC SECTION
PRODUCTION DIVISION

DIA:lrw

Ref. ES/20.15
X-15.12

11 August 1945

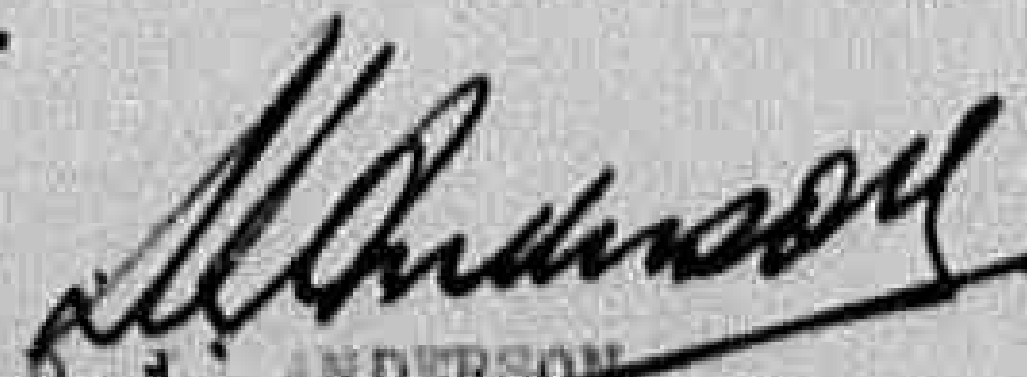
SUBJECT: Italian-Polish Coal Negotiations

TO : Chief Commissioner
Through: Executive Commissioner

1. Reference attached letter from the American Embassy.

2. I discussed in a general way with the various people in London who are interested in coal the proposal now afoot that Polish coal should go to Italy. The impression in London was that it would be uneconomical in shipping and that if Polish coal were to be made available for use in Central and Western Europe, there would be a saving in shipping if it were used in the Scandinavian countries and if a corresponding quantity of British coal were diverted to Italy. However, no concrete proposal was discussed and the conversations I had were purely informal.

3. There is no doubt, however, that the European Coal Organization should be asked for their observations before the allied representatives in Italy proceed with the matter further. At the same time, I can see no objection to the Italian Government continuing its conversations with the Polish Government because the fruition of the scheme will depend on shipping which only the Allies can make available.


D. I. ANDERSON
Brigadier
Deputy Vice-President

Attachment

Copy to:
Coal Division

2305



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AUG 3 1945

CC HIO

110

AMERICAN EMBASSY

Rome, Italy,
August 1, 1945.

SECRET

Rear Admiral Hilary W. Stone,
Chief Commissioner,
Allied Commission,
Rome.

My dear Admiral:

There follows for your information a paraphrase of a cable received from the Department of State expressing its views regarding the Italian-Polish coal negotiations.

"Italian Embassy has presented memorandum to State Department stating that the Italian Embassy at Moscow has discussed the question of initiating negotiations for coal purchases with the Polish Government. Memorandum expresses hope that Allied Commission would receive instructions to facilitate permission for Italian experts to go to Warsaw or Polish experts to come to Rome to conclude the arrangement for importing Polish coal in exchange for Italian goods. Memorandum expresses desire that plan be approved also for export of goods in exchange for coal, and that post-liberation dollars in United States be made available if necessary as part payment to the Polish Government. The Department of State is generally favorable to the undertaking of negotiations between Poles and Italians on Polish coal so long as the arrangements do not interfere with plans of European Coal Organization. State Department assumes that satisfactory arrangements can be worked out between Italian Government and Allied Commission without necessity of instructions from Washington. Italian Embassy has been so informed. As regards post liberation accounts, no action appears necessary at this time. Italian Embassy has been informed that if a specific request is received the matter will be given consideration."

I should

-2-

I should like to inform the Department whether the Allied Commission may find itself in agreement with the Department's assumption that satisfactory arrangements can be worked out without further instructions from Washington, and accordingly I should very much appreciate having your comment on the Department's views.

Sincerely yours,

A. Rich

785017

5016

108

Ref: 15/12/44.

10 August 1945.

11 AUG 1945

My dear Dr. De Gasperi:

Thank you for your letter 14067/31 of 25 July 1945 on the subject of Italy's representation in the European Coal Organisation.

The Allied Commission's representative to the European Coal Organisation is expected to return shortly from London, where he has attended the most recent meeting of this organisation. In the meantime, as stated in my letter of 20 July, your request has been referred to the British and American Ambassadors and, as soon as a decision is reached, I will inform you immediately.

Yours very truly,

/s/ HENRY W. STICKEL
Rear Admiral, USNR
Chief Commissioner

Dr. Alcide De Gasperi
Minister for Foreign Affairs
Italian Government
Rome.

cc: Chief Commissioner
Executive Commissioner
Polad (A)
Polad (B)
Production Division

2300

PA
(initials)

5816

EC
107

6 August 1945
AUG 7 1945

106

My dear Mr. Ambassador:

I wish to thank you for your letter of 1 August 1945 on the Italian - Polish coal negotiations.

This matter is now being studied by the appropriate agencies of the Allied Commission.

The Allied Commission's representative to the European Coal Organization, Brigadier E. L. Anderson, is now in London attending meetings of that organization where he is likely to obtain information on the allocation of coal in Europe. His return is expected shortly.

Pending the outcome of studies in the Allied Commission, and particularly the return of Brigadier Anderson, I feel that no action should be taken to arrange for Italian experts to go to Warsaw or Polish experts to come to Rome. I will keep you advised as the matter develops.

Sincerely,

79/ Ellery W. Stone

ELDERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Honorable Alexander Kirk
American Ambassador
119 Via Vittorio Veneto
Rome

cc:
Chief Commissioner
Executive Commissioner
Production Division
Commerce Sub-Commission
Finance Sub-Commission

2299

9

785017

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

106

AMERICAN EMBASSY
Rome, Italy,
August 1, 1945

SECRET

Rear Admiral Ellery W. Stone,
Chief Commissioner,
Allied Commission,
Rome.

My dear Admiral:

There follows for your information a paraphrase of a cable received from the Department of State expressing its views regarding the Italian-Polish coal negotiations.

" Italian Embassy has presented memorandum to State Department stating that the Italian Embassy at Moscow has discussed the question of initiating negotiations for coal purchases with the Polish Government. Memorandum expresses hope that Allied Commission would receive instructions to facilitate permission for Italian experts to go to Warsaw or Polish experts to come to Rome to conclude the arrangement for importing Polish coal in exchange for Italian goods. Memorandum expresses desire that plan be approved also for export of goods in exchange for coal, and that post-liberation dollars in United States be made available if necessary as part payment to the Polish Government. The Department of State is generally favorable to the undertaking of negotiations between Poles and Italians on Polish coal so long as the arrangements do not interfere with plans of European Coal Organization. State Department assumes that satisfactory arrangements can be worked out between Italian Government and Allied Commission without necessity of instructions from Washington. Italian Embassy has been so informed. As regards post liberation accounts, no action appears necessary at this time. Italian Embassy has been informed that if a specific request is received the matter will be given consideration."

I should like to inform the Department whether the Allied Commission may find itself in agreement with the Department's assumption that satisfactory arrangements can be worked out without further instructions from Washington, and accordingly I should very much appreciate having your comment on the Department's views.

Sincerely yours,

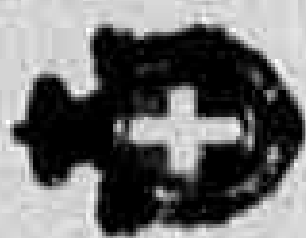
/s/ A. Kirk.

2297

5016

DUPLICATE

62465 1129



Ministero degli Affari Esteri

u r g e n tMEMORANDUM FOR THE ALLIED COMMISSION

AUG 2 1945

Subject: Italian economic Mission to Poland.

1. Reference paragraph 3 of Mem. 6/2359/1036 of July card.

2. The Ministry of Foreign Affairs has to forward, herewith enclosed, the list of available goods to be offered in exchange for Polish products and, principally, for coal.

3. While the Ministry of Foreign Affairs warmly asks the Allied Commission to consider this list with all possible dispatch, they point out that the latter's authorization is requested on principle, inasmuch as the Italian Delegation aims at reaching an agreement eventually "ad referendum". This is due to the fact that the quantity and price of the coal and the goods which will be chosen by the Polish Government in payment are as yet unknown. The same applies to the negotiations with the Czech Government.

4. As however it is necessary that the Italian Delegation should be able to satisfy the Polish and Czech Delegations on the consistency of its offers and in consideration of the importance of the coal question to Italian economy, the Ministry of Foreign Affairs begs the Allied Commission to bear this in mind in examining the aforesaid list, in order to reduce to a minimum the chances that on its return to Rome the Delegation should be compelled to alter the proposals submitted at Warsaw and Prague and eventually accepted there.

5. The Ministry of Foreign Affairs thank the Allied Commission for the interest they will see fit to display and would much appreciate an early reply on the matter.

26
Subject: Italian economic Mission to Poland.

1. Reference paragraph 3 of Mem. 8/2359/1035 of July 23rd.

2. The Ministry of Foreign Affairs beg to forward, herewith enclosed, the list of available goods to be offered in exchange for Polish products and, principally, for coal.

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5. The Ministry of Foreign Affairs thank the Allied Commission for the interest they will see fit to display and would much appreciate an early reply on the matter.

Rome, July 30th, 1945.

Encl.



(Orig. Passed to Econ. Sec.)
2700 45

785017

573 + 5016

COPI

104

ALLIED FORCE HEADQUARTERS
APO 542

AG 463.3/171 SUP-0

26 July 1945

SUBJECT : Import of Coal through VENICE and TRIESTE.

AUG 2 1945

TO : Headquarters, Eighth Army
General Officer Commanding, 13 Corps.

1. References

- a. AFHQ Administrative Memorandum 16, 1945.
- b. AFHQ letter, file AG 323/061 LOG-0, dated 12 July 1945, subject : "Use of Ports of VENICE and TRIESTE".
- c. AFHQ letter, AFHQ/3577 Q (Maint) dated 16 July 1945.

2. General

a. It is the intention that, as soon as possible, coal should be supplied as follows :-

(1) To AUSTRIA

From local production and overland from sources in Continental Europe.

(2) To North East ITALY

By sea imports through VENICE/TRIESTE.

It may not be immediately possible to supply the whole of the requirements of AUSTRIA from Continental Europe. Demands for coal in excess of programmed deliveries from Continental Europe will be coordinated by Headquarters, Eighth Army and submitted to this Headquarters for supply from sea imports as far as may be possible. Demands for coal for North East Italy will be coordinated by Headquarters, 13 Corps.

b. Demands should be subdivided to show civil, railway and military needs separately.

c. No coal will be dispatched to JUGOSLAVIA or to that area of VENEZIA GIULIA controlled by JUGOSLAVIA without authority from this headquarters.

3. Limitations on availabilities

Coal is in short supply throughout the world and demands will, therefore be limited to essential requirements. AFHQ will advise Headquarters,

Eighth/.....

- 2 -

102

Eighth Army and 13 Corps of the allocations made each month showing separately the tonnages to be imported through VENICE and TRIESTE. Railway allocations will be made on the basis of estimates from Director, Military Railway Service, civil allocations on estimates from Headquarters Allied Commission and military requirements on estimates from DST, this Headquarters. Should additional emergency requirements in excess of allocation arise, this headquarters will be notified.

4. Allocations from each vessel

a. As soon as possible a representative of QM (Coal) Section, this Headquarters will be dispatched to VENICE and will become responsible for coal matters in North East Italy. He will allocate the cargo of each collier arriving in VENICE or TRIESTE. He will be instructed to maintain close liaison with your headquarters to ensure that any special priorities are observed. Until this representative arrives, it is requested that Headquarters, 13 Corps make such allocations, consulting Headquarters Eighth Army where necessary.

b. It is the policy of this headquarters and of the Allied Commission to make the maximum use of civil agencies for the handling of coal. Accordingly you need only make block allocations to each main user, leaving it to those users to notify Movements at the ports concerned of the detail destinations of the coal. D.T. and Allied Commission are asked to issue any necessary further instructions on this subject.

5. Notification of Colliers

a. Since the programme will be fulfilled by the diversion of ocean-going vessels, it will not be possible to give long advance notice of the actual vessels nominated. However, you will be supplied with a copy of the full coal programme as periodically revised and also with notification by signal of vessels ordered to VENICE and/or TRIESTE.

b. Separate arrangements have been made for Mov VENICE and Mov TRIESTE to notify this Headquarters of actual details of dispatches of coal.

BY COMMAND OF FIELD MARSHAL ALEXANDER :

R.A. STUKY
Capt. AGD
Asst Adjutant General

785017

Mr. Station

The Minister of Foreign Affairs
14067/31

Rome, 25 July 1945

Reg. n. 26

107

E.C.

JUL 31 1945

Dear Admiral,

In my letter n. 41/18123/23 of July 6th, describing to you the 'strategic' situation of Italy for what concerns coal, I asked your kind intervention to have Italy invited to belong to the European Coal Organization, as a country which is greatly tributary to foreign countries for the purchase of this raw material.

My informations in asking you to intervene without delay to have Italy included in the above mentioned organism, were based on a report forwarded by the Chief of the purchasing Mission in the United States, Eng. Gaerdti, in which it is said that the following countries are members of the European Coal Organization: United States, United Kingdom, France, Belgium, Holland, Luxemburg, Turkey; the following are 'represented countries': Norway, Denmark, Greece, Czechoslovakia, Yugoslavia.

Taking such information as a basis, I asked for Italy to be admitted in the organization as 'represented state', supposing that the regulations for the division had been established between producer countries and consumer countries.

I was informed on the contrary that no such division exists, and that the 'represented countries' are only given the part of observers, which cannot be given to Italy because of the considerations which I pointed out to you in my former note.

The Allied Commission will be asked to appoint a representative to the European Coal Organization for the allotments of coal to Italy, considering that the purchases still take place through the Allied Military Authorities. To this end, it would be well for the work of the representative of the Allied Commission to be carried out and completed with that of an Italian delegate, who, well informed about our effective and real requirements, could simplify and at the same time render more efficacious the intervention of the representative of the Allied Commission.

As you know that the problem of coal is for us of vital importance, I trust that you will kindly modify the terms of your intervention to obtain the admission of Italy as member in the organization which has been formed in London, or at least, to have an Italian delegate present at the side of the representative of the Allied Commission.

Thanking you for whatever you will do on this subject, I remain, my dear Admiral,

yours very truly,

a. De Gasperi

P.S. I have just received your letter of July 20th, for which I send you all my thanks.

Admiral Henry H. Stone
Chief Commissioner - A.C.RE DIST - 31 July 45
Action: Leon Sec
Info: Chief of Staff
Exec. Comm.
Filed (A)

2253

e/c

785017

HEADQUARTERS ALLIED COMMISSION

Office of the Chief Commissioner

APO 394

27 July 1945

JUL 30 1945

Dear Mr. Ambassador:

With reference to my letter to you dated 9 July and in further reply to your letter of 2 July the full report by Col. Green has now been studied and I will deal with the recommendations on page 12 one by one.

1. The Ministry of Industry and Commerce has established an organization in Sardinia to deal with labor matters. It has been working with much more satisfaction recently than in the past.

2. The mine management was recently changed by the Italian Government with noticeable improvement in efficiency and has its fullest support.

3. There is no intention of changing the mine management at the moment.

4. In response to a letter from the Allied Commission dated 15 May, the Italian Government has given priority to Sardinia in allocation of consumer's goods and part worn clothing and boots which the armies hand over.

5. For approximately six weeks we have been continuously pressing APHC to provide German P.W. to work in the Sardinian mines. They have agreed in principle but are somewhat slow in implementing their decision. We are continuing to press them.

6. Steps had already been taken to provide the materials required at the time Col. Green wrote his report. Many have now been supplied and practically all are in sight.

7. In a letter from the Ministry of Industry and Commerce, dated 19 July, the Minister agreed that scraper haulage would improve production and a request for the necessary plant has now gone to Washington. However, from advice we have had from Washington mine to twelve months may elapse before it can be put to use in Sardinia.

8. All the Sulcis coal which can be produced can be used and all coal of this type that Italy is ever likely to produce can be economically used by present installations.

9. The Sardinia mines now have a fully competent engineering staff and forward planning is being undertaken by them.

See # 91 ABSE

(PA)

99

- 2 -

10. The Italian Government was pressed in a letter dated 26 June to reopen Sassi anthracite mines. They gave a rather unsatisfactory reply in a letter dated 17 July. The matter is being taken up with them again.

11. In May the Italian Government was asked to close the distillation plant. They promised to do so but did not fulfill their promise. They were tackled again in June and again promised. They have now been told that if the plant is not closed the allocation of coal to the Island will be considerably cut.

12. Steps necessary to increase lignite production are being continuously taken and have been for a very long time. The problem is one of transportation and reconstruction of damaged railways.

13. I am not clear as to what Col. Green means by checking the ration distribution but the Allied Commission staff is far too small to check effectively the rationing which the Italian Government imposes.

Very truly yours,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

The Honorable Alexander Kirk
American Ambassador
119 Via Vittorio Veneto
Rome.

2291

785017

DUPLICATE

JUL 29 1945

MEMORANDUM FOR THE ALLIED COMMISSION

Subject: Italian Mission in Poland for the purchase of coal.

1. Reference is made to Memorandum No 6/2358/1025 of 23rd July, 1945, with which the Ministry of Foreign Affairs requested the Allied Commission to authorize the journey to Warsaw of the Delegation of Italian officials charged with carrying out negotiations for the purchase of Polish coal.

2. The Ministry of Foreign Affairs has to inform that the aforesaid Commission should be made up as follows:

Signor Vincenzo STORCHI - Undersecretary to the Ministry of Industry and Commerce, President.

Signor Ferruccio MARIN - Vice Director General of Italian Railways, Member.

Signor Enrico PINOCCI - Inspector General of Italian Railways, Member.

Signor Attilio SALABELLE - Official to the Ministry of Treasury, Member.

Signor Franco CANCELLARIO Vice Consul, Secretary.

3. Please find enclosed the M.F.A. application forms.

The Allied Commission is warmly requested to grant authorization and the necessary travel facilities for the journey there and back.

4. As already stated, the Delegation should reach Warsaw as soon as possible and on the return journey stop at Prague in order to carry out the commercial negotiations already mentioned in the Memorandum in reference and to plan the transport and the transit of the coal originating from Poland.

5. As regards the route of the mission it is pointed out

9290

785017

Subject: Italian Mission in Poland for the purchase of coal.

1. Reference is made to Memorandum n° 6/2352/1005 of 23rd July, 1945, with which the Ministry of Foreign Affairs requested the Allied Commission to authorize the journey to Warsaw of the Delegation of Italian officials charged with carrying out negotiations for the purchase of Polish coal.

2. The Ministry of Foreign Affairs beg to inform that the aforesaid Commission should be made up as follows:

Signor Vincenzo STONCHI - Undersecretary to the Ministry of Industry and Commerce, President.

Signor Ferruccio MARIN - Vice Director General of Italian Railways, Member.

Signor Enrico PINOCCHI - Inspector General of Italian Railways, Member.

Signor Attilio CALABULLI - Official to the Ministry of Treasury, Member.

Signor Franco CAMELLARIO Vice Consul, Secretary.

3. Please find enclosed the M.F.A. application forms.

The Allied Commission is warmly requested to grant authorization and the necessary travel facilities for the journey there and back.

4. As already stated, the Delegation should reach Warsaw as soon as possible and on the return journey stop at Prag in order to carry out the commercial negotiations already mentioned in the memorandum in reference and to plan the transport and the transit of the coal originating from Poland.

5. As regards the route of the mission it is pointed out that the Italian Ambassador at Moscow has recently reported that regular communications would now exist between London and Warsaw and that this route could offer advantages of economy

p.t.o.

(Official Passed to Econ Sec)

p.t.o. 100
100-3/5

(Last Paragraph)

and speed over the one passing through Russia.

6. As regards the visas, the Ministry of Foreign Affairs have directly approached the Czechoslovakian Legation and the local Polish representatives and they will ask for the transit visas of ~~these~~ other countries which the route established by the Allied Commission might render necessary to cross, as soon as the aforesaid route will be communicated to the Ministry.

7. Owing to the vital importance of the coal question which envisages the very life of Italian industry in this grave moment, the Ministry of Foreign Affairs would be very grateful if the Allied Commission would kindly handle the matter with all possible urgency.

8. The Ministry of Foreign Affairs thank the Allied Commission for those steps they will deem fit to take in the matter.

Encl.

Rome, July 25th 1945

785017

JULY 27 2118Z



F/1607
JULY 280900
ROUTINE
JUL 28 1945

From: WAR

To: ALEXANDER FOR PHOENIX FROM COS CITE COAG REFD INFO ALLIED COMMISSION,
GO USFMT FOR GRS, CALA, UK BASE SECTION FOR CABINET SECRETARIAT.

IN CLEAR.

This is GAL 1455. Refer GAL 1381.

BACHED representative on ECO.

Coal requirements ITALY-SICILY will be considered by ECO with view to recommending sources of supply. Important that full information ^{ing} concern/requirements, indigenous production and transportation should be available for discussion at ECO meetings held approximately every 3 weeks LONDON. Very desirable ~~States~~ should send representatives who would act as adviser to UNITED STATES and UNITED KINGDOM members as long as military responsibility continues. Please nominate earliest. Military representative attached to ECO will reserve PREROGATIVE to act on recommendations of ECO only to extent such recommendations are consistent with military policies and necessities. War Office will arrange notification meetings and dispatch of necessary papers. Suggest in nomination of representative you take into consideration probability of limited duration of military responsibility and continued AG interest.

NOT SUBJECT

Reference LAG 1232, GAL 1434, and LAG 1246. As of this date all GALS are being repeated to ADJON for information, inasmuch as present use of clear text in GAL-LAG series has removed technical difficulties encountered J M HILLBRIEN Major General Director Civil Affairs Division.

DIST
INFO-ACTION
INFO

REG DIV 2
CHIEF COMMISSIONER
EX COMMISSIONER 2
ECOM 340
COAG DIV
IN EC 2, FILE 2, FLOAT

2289

see M.97
103
103

(CAPT. HARRISON)

785017

Tel. 406

5076 A
HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION
PRODUCTION DIVISION

LA:lrw

(94)

Ref. ES/5.12

27 July 1945

JUL 28 1945

SUBJECT: Report on Sardinian Coal Mines

TO : Executive Commissioner

92

by whom?

1. I have just been shown your note to the Chief Commissioner, copy attached.

2. It is, I think, regrettable that you did not ask the Economic Section for the facts regarding Sardinian coal production before recommending a change in personnel of the coal experts in the Island. On the 19th of April, the Italian Government was made solely responsible for the output of coal from the Sardinian coal mines and I instructed the Allied Commission officers in the Island that in no event would they interfere. They were there purely to give advice and to keep this office informed of progress.

3. The facts are that for the 17 months ended April, the average production of coal was only 32,000 tons per month. The Italian Government was advised by me in the strongest possible terms that this was not good enough and that they must take steps to improve it. They did. They dismissed the management and installed a new one. The result is that coal production for May was 19.5%, above the average mentioned above; for June, 37%; and if this month continues as it is going, production will be fully 50% above the average for the 17 months ending April last when the mines were under the control of the Allied Commission.

4. Every recommendation made by Colonel Green had already been considered and dealt with before he made his report. I think the question of Sardinian coal production is being flogged far too heavily and far too much is being made of the alleged poor production. The present Italian Government states that there is no doubt that the figures of production cited by the Fascist Government are swollen figures and the Mining Division of this Headquarters agrees. They consider that the maximum production which can be obtained is of the order of 70/80 thousand tons per month.

22

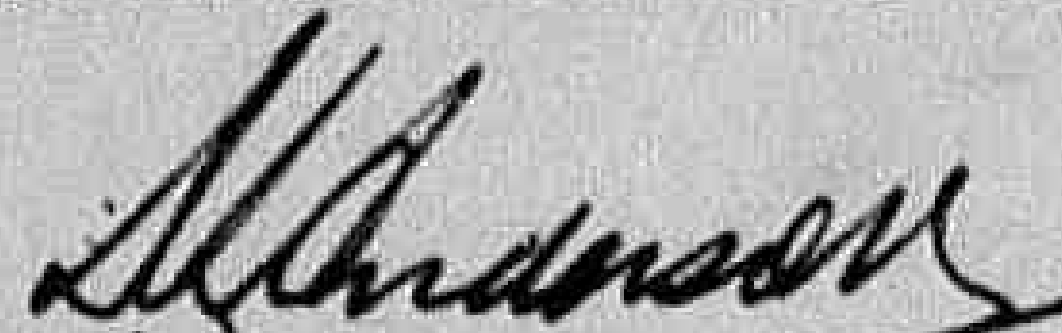
1945

(Capt. Arnold)

- 2 -

5. I must also point out that the production per man underground per day is as high today as records show it has ever been. The problem is, therefore, one of recruitment of labour. The Government has within the last month or so recruited 400 men on the Mainland and they are actively continuing their campaign to obtain men for this most unattractive work. They are, so far as the facts and figures of the recent Blue Book published by the British Government show, ahead of us in this respect.

6. I shall be obliged if you will show this note to the Chief Commissioner.



D. L. ANDERSON
Brigadier
Deputy Vice-President

Attachment
Per para 1.

2267

HEADQUARTERS ALLIED COMMISSION
APO 804
ECONOMIC SECTION

ROUTING AND WORK SHEET

Each note must be numbered and each space completely filled in. THIS WORK SHEET MUST NOT BE REMOVED FROM THE CORRESPONDENCE TO WHICH ATTACHED UNTIL ACTION IS COMPLETED AND THEN FILED WITH FILE COPIES OF COMMUNICATION TO WHICH IT PERTAINS. A line will be drawn the full width of the page under each note.

SUBJECT: Report on Sardinian Coal Mines

No	Date	To	REMARKS	From
1	23 July	Ex. Com.	This letter has my approval and is being submitted for signature by the Chief Commissioner. /s/ E. B. McKINLEY Brigadier General, U.S.A. Acting Vice President Economic Section 24/7	
2	25 July	Chief Commissioner.	I think you should read the report by Colonel Green on the coal situation in SARDINIA. While the draft letter prepared by Economic Section answers the points made in Colonel Green's recommendations, I myself feel that we really have not tackled the Sardinian coal problem successfully. For nearly two years we have had coal experts in the island and the results are that at this stage an independent observer can point out that we fall short of the maximum production by 50 per cent. Colonel Green is perfectly right in paras 1, 2 and 6 of his conclusion. I myself feel that the change in personnel of the coal experts in SARDINIA might be the key to the problem. 25/7	2286

785017

5016

89

HEADQUARTERS ALLIED COMMISSION

R20/PRE

APC 394

GSB/dp

PUBLIC RELATIONS BRANCH

JUL 28 1945

SUBJECT: Poletti, Interview on Coal

TO : Chief Commissioner

Executive Commissioner

For your information IL GLOBO today publishes
an INS despatch from Como reading as follows:

"POLETTI AND COAL FOR ITALY, Como, July 26th.

In an interview with the POPOLO COMASCO
Poletti declared that Italy's deficiency of
coal could be avoided if the Russians would
authorize the importation of coal from Czecho-
slovakia and Poland. Importation could reach
the figure of 1,000,000 or more tons per month.
Poletti concluded saying that measures were
being taken to favor private initiative by
abolishing the restrictions which until now
have been a hinderance."

G. STEWART BROWN
Director
Public Relations Branch

2255

Lu M 90-91

(Can Answer)

785017

5016
9/105
2359/1085
87
E.C.
DUPLICATESRECEIVED BY THE JAPANESE CONSUL

Subject: Reestablishment of trade relations with Poland. 72

1. As the Ministry for Foreign Affairs have already informed the Allied Commission with letter N.2/1113 of the 7th inst., the Polish Government have stated themselves willing to resume trade relations with Italy. The former would offer coal in exchange for goods or currency; the former of transport would have to be supplied by the Italian administration.

2. The Italian Ambassador in Washington has recently informed that the State Department suggest that Italy should open negotiations with Poland in order to obtain a certain amount of the latter's coal production. The State Department have assured that this coal would not be deducted from the global production of the Combined Board. The Government of Washington would be willing to grant that the payment of the part which could not be compensated in goods, should be made in dollars drawn from the post-liberation fund.

3. The Italian Government, on their part, in consideration of the fundamental importance of this question which the Allied administration cannot but consider vital to the immediate future of the country, have suggested the proper technical assistance with preparing the list of the available goods to be offered as reimbursement, list which will be ready in a very short time.

They have furthermore ascertained the availability of Italian goods-trucks to be employed in the transport of Polish coal and which have been found sufficient for a total of 203 trucks of 2000 tons. The Italian Government are also sending a mission to Warsaw and subsequently to Moscow in order to carry out negotiations in 1946.

Subject: Report of the Italian Government on the Italian Economy.

1. - The Italian Government has recently informed the Allied Economic Commission of the results of its study of the Italian economy. The study was completed in 1945 and is being published in 1946. The study is a comprehensive survey of the Italian economy, covering the period from 1938 to 1945. It is a valuable contribution to the knowledge of the Italian economy and its development.

2. - The Italian Government has recently announced that the Italian Government has decided to publish a report on the Italian economy. The report is a comprehensive survey of the Italian economy, covering the period from 1938 to 1945. It is a valuable contribution to the knowledge of the Italian economy and its development.

3. - The Italian Government has recently announced that the Italian Government has decided to publish a report on the Italian economy. The report is a comprehensive survey of the Italian economy, covering the period from 1938 to 1945. It is a valuable contribution to the knowledge of the Italian economy and its development.

They have furthermore announced the availability of Italian production data to be employed in the development of Italian economic policy. The Italian Government has also announced that it is willing to provide information on the Italian economy to the Allied Economic Commission.

See 98
P. 100

(Action Copy Passed to Econ Sec)

785017

28

4. - In the meanwhile the Ministry for Foreign Affairs would be very grateful if the Allied Commission would kindly interest the proper authorities in granting all necessary facilities to the transit of the aforesaid trains on the railroads subjected to Allied control. In this connexion it may be pointed out that there does not appear to be any permanent interruption on the line between Katowice and Italy.

It may be mentioned that up to the Armistice the transport of coal from the Katowice coal-fields to Italy was mostly carried out on the following lines:

- a) Oderberg - Landsberg - Wismarsdorf - Willich - Berlin -
Hamburg.
- b) Oderberg - Bremen - Salzberg - Bremer.
- c) Oderberg - Landsberg - Bremer - Salzberg - Berlin -
Hamburg.

5. - The Ministry for Foreign Affairs, in thanking the Allied Commission for the interest they will see fit to take in this extremely urgent and vital question, warmly requests them to:

- a) authorize the departure of a small number of officials, as soon as their names will be made known.
- b) authorize these officials to submit to the Government of Warsaw a general list of available goods, in order that the latter may choose a convenient transport for the coal they are willing to grant us, with the price and quantity of which we are not yet concerned.

In return of the mission, the list of products will be submitted to the Allied Commission for the necessary approval.

6. - The above requests are made as regards the opening of negotiations with the Czechoslovak Government, who have advised earlier offers to the Polish ones.

The Italian officials might stop a train, on the return journey, for an exchange of ideas.

would be very grateful if the Allied Commission would kindly interest the proper authorities in granting all necessary facilities to the transit of the aforesaid trains on the railroads subjected to Allied control. In this connection it may be pointed out that there does not appear to be any permanent interruption on the line between Antwerp and Italy.

It may be mentioned that up to the present time the transport of coal from the Italian coal-fields to Italy was mostly carried out on the following lines:

- a) Oberberg - Landsberg - Viernau - St. Willen - Tervil - etc.
- b) Oberberg - Braunsberg - Salzberg - Brennero.
- c) Oberberg - Landsberg - Braunsberg - Salzberg - etc.

3. - The Ministry for Foreign Affairs, in thanking the Allied Commission for the interest they will see fit to take in this extremely urgent and vital question, warmly requests them to:

- a) authorize the departure of a small number of officials, as soon as their names will be made known.
- b) authorize these officials to submit to the Government of Vienna a general list of available goods, in order that the latter may choose a convenient transport for the coal they are willing to submit to, with the price and quantity of which we are not yet acquainted.

On return of the Mission, the list of products will be submitted to the Allied Commission for the necessary approval.

4. - The same requests are made as regards the opening of negotiations with the Czechoslovak Government, who have advanced similar offers to the Polish ones.

The Italian officials might stop a minute, on the return journey, for an exchange of ideas.

Done, 10th of July, 1945



5016

(85)

495/5145

The British Embassy,
Rome.

19th July, 1945.

JUL 26 1945

Dear Admiral:

I am so sorry that there has been a delay
in sending you the information about the Polish
Government's coal effort. I enclose a copy
of my telegram to the Foreign Office which
contains the only information available to me.

/s/ Henry Hopkins

The Chief Commissioner,
Allied Commission,
ROME.

CC DIST:

cc: Exec. Comm.
VI, Mem. Sec.
Pol. Advr. (A)
Pol. Advr. (B)
Spec.

2281

2281

(Carroll)

SECRET

(84)

Signor Pruner informed me yesterday that Polish Ambassador in Moscow had approached Italian Ambassador with an offer to make commercial treaty with Italy and in particular to supply Polish coal. He mentioned a figure of 80,000 tons a month. He added that Polish Government were prepared to send an expert to Italy and that transportation would be the main problem. Italian Government have replied that they are prepared to receive the expert and have asked Polish Government to investigate urgently question of rail traffic from Poland to Trieste. Meanwhile Italian Government are sending official to the North to look into the question of transportation on Brenner route.

Signor Pruner added that Czech Minister had also mentioned possibility of sending coal to Italy from Czechoslovakia. Italian Government had again asked that transportation possibility should be investigated.

Signor de Gasperi told me this morning that he was sure that offer of Polish coal had been carefully timed so as to arrive at moment when problem of coal is being widely debated here. He thinks that it was probably inspired by Communist leaders in Italy.

Copied to Admiral Stone (Telegram to the Foreign Office dated 7th July. 1945)

2280

SECRET

HEADQUARTERS ALLIED COMMISSION
APO 894
LOGISTIC SECTION
SUPPLY DIVISION

(83)

Tel: 450

TD /ml

Ref: ES/15.12/0

JUL 26 1945
25 JULY 1945

UNITED STATES PATENT OFFICE

TO : Office of the Executive Commissioner

74

1. Reference your 5016/74/EC 24 July 1945. (92)
2. Attached is copy of cable 2249, 31 July 1945 in answer to cable E/482, 18 July, Emilia Region.
3. Below is summary of July allocations and deliveries to Emilia Region:

(82)

FOR ACTION HQ EMILIA REGION PD NOV GENOA FOR COAL SECTION B FOR INFO ALSO
HQ LOMBARDIA REGION FOR COAL OFFICE CUREO RPTD 54 AREA FOR CO SECTION RPTD MRS ROSE

2249

31 JULY 1945

PRIORITY

SECRET PD

SUBJECT IS JULY COAL ALLOCATION EMILIA REGION PD

PARA 10 FOR ACTION HQ AND EMILIA REGION RPTD NOV GENOA FOR COAL SECTION RPTD FOR
INFO AND HQ LOMBARDIA REGION FOR COAL SECTION RPTD 54 AREA FOR COAL SECTION RPTD MRS
ROSE FROM ALCANTARA ACCOL PAREN

(81)

YOUR EASY ONLINE FOUR EIGHT TWO OF ONE EIGHT JULY REMITS PD

PARA ONE PD ALLOCATIONS PD ONE TWO ZERO ZERO TONS BOLOGNA GAS PD ONE FIVE ZERO ZERO
TONS FOOD PROCESSING PD SIX ZERO ZERO TONS CLASSE POWER STATION PAREN TO BE SUPPLIED
BY TWO ONE SEVEN SUBAREA PAREN PD ONE SIX ZERO ZERO TONS OTHER INDUSTRIES PD

PARA TWO PD ALREADY DELIVERED EX STEAMER THOMAS GORDON THREE ZERO ZERO TONS BOLOGNA
GAS CMA FIVE ZERO ZERO TONS OTHER INDUSTRIES PD

PARA THREE PD TO BE DELIVERED EX STEAMER HOPECREST PD NINE ZERO ZERO TONS BOLOGNA
GAS CMA SIX ZERO ZERO CLASSE POWER STATION CMA ONE ONE ZERO ZERO TONS OTHER INDUSTRIES
PD PENDING ARRIVAL OF HOPECREST CMA NINE ZERO ZERO TONS SUGAR HAVE AGREED TO A LOAN OF FOUR
ZERO ZERO TONS RAILWAY STOCK AT RIMINI PD ARLE NINE ZERO ZERO EMILIA TO CONTACT ONE
NINE TWO ZERO ONE GEORGE ANCONA OPERATING OFFICE TO ARRANGE LABOUR FOR LOADING PD
THIS LOAN MUST BE REPAYD EX HOPECREST PD

PARA FOUR PD ALLOCATIONS FOR FOOD PROCESSING TO BE MADE AS FOLLOWS BY AINE FOR NOV
EMILIA COAL SECTION GENOA PD THREE FIVE ZERO TONS ABRIGONI PLANT CMA PIACENZA CMA
PIACENZA PROVINCE PD SIX FIVE ZERO TONS VALDARE PLANT CMA SAN PAOLO CMA PIACENZA
PROVINCE PD TWO FIVE ZERO TONS VILLA CADE PLANT CMA REGGIO EMILIA PD TWO
ZERO TONS PORTOFERRA PLANT CMA PIACENZA PD

2278

cc: Economic Section

Coal Division, Commerce S/C 532 (tel)

Col. P. R. EVANS

NICHOLAS PIANBINO
CNO USA
ASST ADJUTANT

785017

8 1 8 (8)
C O P Y

R E S T R I C T E D

E/482

JUL 18

F/367

JUL 191900B

IMPORTANT

AMC EMILIA REGION

HQ ALCON FOR COMMERCE SUBCOMMISSION COAL DIV

RESTRICTED

Coal situation in EMILIA REGION most critical. Only 150 tons were received in June against promised allocation of 1100 tons. For July we were promised 4000 tons, but only 500 have arrived up to now. When is the balance coming. Disorders feared among factory workers unless work found.

DIST.

Action: Coal Div
Info: Chief Commr
Exec Commr
Econ Sec
File 2
Float

2277

R E S T R I C T E D

785017

APR 26 Leaving to POK ADS

M/26/7

G-5 AFHQ (ACTION) rptd AMB VENELIA GIULIA (INFO)

2009

25 Jul 45

ROUTINE

RESTRICTED PD

SUBJECT IS AREA COAL MINES ISTRIAN PENINSULA PD

PARAGRAPH TO AFHQ FOR GEORGE DASH FIVE SECTION FOR ASSISTANT CHIEF OF STAFF FOR ACTION
RPTD AMB VENELIA GIULIA FOR INFO FROM HQ ALCON CITE AGROD PAREN

REFERENCE IS PARA TWELVE ONE SUBPARA THREE OF MINUTES OF JOINT ECONOMIC COMMITTEE
 MEETING ELEVEN JULY PD

PARA ONE PD ALCON STRONGLY OF OPINION THAT PRESSURE SHOULD BE BROUGHT TO BEAR ON
 YUGOSLAV GOVERNMENT IN ORDER THAT THE AREA MINES SHALL BE EXPLOITED TO THE MAXIMUM
 EXTENT POSSIBLE IN RELIEF OF THE COAL SITUATION IN ITALY AND THAT A DEMAND SHOULD
 BE MADE FOR ALLIED PARTICIPATION TO THIS END PD AS DISCUSSED WITH GEORGE DASH FIVE
 IT IS RECOMMENDED THAT POSSIBLE SANCTIONS AGAINST YUGOSLAVS COULD BE STOPPAGE OF
 ANY COAL EXPORTS INTO YUGOSLAVIA BY USRA OR BY OTHER ALLIED AGENCIES PD

PARA TWO PD POLAND ALCON AGREES AND WILL TAKE PARALLEL ACTION THROUGH DIPLOMATIC
 CHANNELS

Copy to: US Embassy
 Br Embassy
 Chief Commissioner
 Executive Commissioner

PA 11 m 1111
 CHAS. HENNEY

2276

Executive Commissioner

M.S.

M. S. LUCH

Brigadier,
 Executive Commissioner.

NICHOLAS FROSTED
 CWO USA
 Asst Adjt.

E X T R A C T

from

Minutes of JOINT ECONOMIC COMMITTEE - dated 11 July 45

+ + + + +

" The Chairman said that the Arsa Mines used to produce some 100,000 tons of coal a month and there is a world coal shortage at present. In the view of the American and British authorities, any source of coal supply should be exploited to the full and it was therefore to be regretted that the Yugoslav authorities had decided that the American and British experts should not visit the mines with a view to advising their Governments as to the extent of the assistance Yugoslavia would require to get production up to its old level. "

Ref. 488

5016 A
HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION
PRODUCTION DIVISION

77
DAC:ps

Ref. ES/13.12

24 July 1945

JUL 24 1945

TO: Executive Commissioner
Attention: Chief Staff Officer

1. Reference your 5016/65/EC dated 12 July 45.
2. Herewith enclosed please find
- (a) Copy of report dated 6 July 45 sent by Brig. Anderson to Chief Commissioner, and
 - (b) Copy of letter to H. E. the American Ambassador drafted by Brig. Anderson on 23 July 45.

D. A. Clark
D. A. CLARK
Major RE.
P. A. to D. V. P.

Attachments

For
(Capt. Anderson)

4. M. 25/7

48
M. 2274

785017

23 July 1945

Dear Mr. Ambassador:

With reference to my letter to you dated 9 July and in further reply to your letter of 2 July the full report by Col. Green has now been studied and I will deal with the recommendations on page 12 one by one.

1. The Ministry of Industry and Commerce has established an organization in Sardinia to deal with labor matters. It has been working with much more satisfaction recently than in the past.

2. The mine management was recently changed by the Italian Government with noticeable improvement in efficiency and has its fullest support.

3. There is no intention of changing the mine management at the moment.

4. In response to a letter from the Allied Commission dated 15 May, the Italian Government has given priority to Sardinia in allocation of consumer's goods and part worn clothing and boots which the armies hand over.

5. For approximately six weeks we have been continuously pressing AFM to provide German P.W. to work in the Sardinian mines. They have agreed in principle but are somewhat slow in implementing their decision. We are continuing to press them.

6. Steps had already been taken to provide the materials required at the time Col. Green wrote his report. Many have now been supplied and practically all are in sight.

7. In a letter from the Ministry of Industry and Commerce, dated 19 July, the Minister agreed that scraper haulage would improve production and a request for the necessary plant has now gone to Washington. However, from advice we have had from Washington nine to twelve months may elapse before it can be put to use in Sardinia.

8. All the Sulcis coal which can be produced can be used and all coal of this type that Italy is ever likely to produce can be economically used.

9. The Sardinia mines now have a fully competent engineering staff and forward planning is being undertaken by them.

See M 6 138

785017

7

- 2 -

10. The Italian Government was pressed in a letter dated 26 June to reopen Seui anthracite mines. They gave a rather unsatisfactory reply in a letter dated 17 July. The matter is being taken up with them again.

11. In May the Italian Government was asked to close the distillation plant. They promised to do so but did not fulfill their promise. They were tackled again in June and again promised. They have now been told that if a plant is not closed the allocation of coal to the Island will be considerably cut.

12. Steps necessary to increase lignite production are being continuously taken and have been for a very long time. The problem is one of transportation and reconstruction of damaged railways.

13. I am not clear as to what Col. Green means by checking the ration distribution but the Allied Commission staff is far too small to effectively check the rationing which the Italian Government imposes.

Very truly yours,

HILARY W. STONE
Rear Admiral, USNR
Chief Commissioner

The Honorable Alexander Kirk
American Ambassador
119 Via Vittorio Veneto
Rome.

2272

Ext 451

ARA/01

Ref: 5016/74/ NO

24 July 1945

MEMORANDUM:

TO : Economic Section

1. Enclosed is a copy of a cable H/482, 18 July, from Malia Region, regarding coal situation there.

2. The Chief Commissioner has requested that this matter be followed up, and it would be appreciated if you would inform this office what action has been taken in connection with this cable.

A. B. ARNOLDY.

1 Incl:
as above

Chief Staff Officer
To Executive Commissioner

see 83

6/14
29/7
Held

2271

5016
73
RESTRICTED

E/482

JUL 18

AMC EMILIA REGION

HQ AIDOM FOR COMBUSTION SUPERVISOR COAL DIV

E/367

JUL 19 1900B

IMPORTANT

JUL 23 1945

RESTRICTED

Coal situation in EMILIA REGION most critical. Only 150 tons were received in June against promised allocation of 1100 tons. For July we were promised 4000 tons but only 500 have arrived up to now. When is the balance coming. Disorders feared among factory workers unless work found.

DIST

C. C. C. COMMENT:

"E.C.

Please Follow

Op.

EWS.

SEE FOLIO 7th

Action: Coal Div.
Info: Chief Comm.
Book Sec.
File 2
Plant

2270

(Carr Arnoldy)
RESTRICTED

785017

JUL 22 1945

CONFIDENTIAL

MINISTRO DEGLI AFFARI ESTERI

ROMAN TRANSLATION

No. 2/1113

Rome, July 7th, 1945

Dear Admiral,

I spoke with you a few days ago of the possibility of importing coal from Poland to Italy and, at your request, I promised to write you on the subject.

The question stands as follows: the Polish Ambassador in Moscow signified lately to our Ambassador that the Warsaw Government were willing to establish trade relations with Italy.

Poland, as her coal production exceeds her own needs, would be in a position to export the surplus to Italy. The payment could be implemented through a clearing agreement. There remains the problem of transport.

We have answered that we were greatly interested in the question, which we are now considering on all its points.

The matter, as you may well perceive, is still in its first stage.

Now that the political difficulties which had prevented the recognition of the Warsaw Government have been overcome, we shall make on our part every effort with a view to securing all possible supply of coal which, among all raw materials is the most essential to the economy of the Country.

Believe me, dear Admiral, etc.

(Sgd) DE GAMBRI

Admiral Hilary V. Stone
Chief Commissioner, Allied Commission
R O N E

MINISTRO DEGLI AFFARI ESTERI

Action: Chief Comm
Info: Exec Comm
VP Exec Sec
US Policy
EU Policy

*Checked with Staff Edmonson re
action taken by CC office. He spoke to Major Thomson
He said no action was necessary*

2269

(Capt Arnold)

785017

5016
20 July 1945.

JUL 21 1945

My dear Mr. Minister:

In reply to your letter of 6 July,
file 12123/28, concerning the recent formation in
London of the European Coal Organization, I have
just now been informed that both the American and
British Embassies are making representations to
the appropriate authorities to permit the Italian
Government to be properly represented.

Very truly yours,

ELERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Dr. Alcide De Gasperi,
Minister for Foreign Affairs,
Italian Government,
Rome.

2268

DIST

EXRA COMAR

ECON SEC

POL ADIR (A)

POL ADVSR (B)

(CARR ARNOLDY) (WR)

5016
8
EC-69
HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

EB/15/2

14 July 1945

JUL 17 1945

SUBJECT: Italian Representation on the
European Coal Committee.

TO : Chief Commissioner

1. I am returning herewith copy of the De Gasperi letter of 6 July concerning Italian representation on the European Coal Committee, as you requested.

2. It develops that the American Embassy had already taken action in this connection according to Mr. Jones, American Political Advisor. The British Political Advisor is taking similar action.

3. Economic Section will therefore take no action in this matter.

(sgd) E. B. McKinley

E. B. MCKINLEY
Brigadier General, USA
Acting Vice President

Enc. 1 - as above

81 MR-15
Original & enclosures at Folios 61, 67, 68
passed to Chief Comm. 17 July. 2267
see 1770

8 8 65

COPY

Gen. McKinley.

6

This is the letter I mentioned this a.m. Please return
attached for my files.

11/7

67-61

/s/ E.W.S.

2266

785017

8
8
67
C
O
P
Y

ALLIED COMMISSION HEADQUARTERS
Office of Political Adviser (A)

To : General McKinley

Subject: Italian Participation in European Coal
Organization.

With reference to our conversation this morning I found upon my return to the Embassy that the Ambassador had already sent a telegram to Washington recommending Italian participation in the European Coal Organization in London. I will inform you of the U.S. Government's views as soon as they are received.

Your file on this subject is returned herewith.

/s/ J. Wenley Jones
J. Wenley Jones

Enclosures
AC file on Italian
Participation

Rome, July 12, 1945.

2265

785017

Ext 451

ANA/el

Ref: 5016/65/NO

JUL 12 1945

MEMORANDUM:

TO : Economic Section (for Brigadier Anderson)

1. Reference is made to a report prepared by Colonel Green on the Sardinian coal mines, a copy of which was sent to you.

2. It would be appreciated if a copy of any recommendations made by you on this report were sent to the Executive Commissioner's Office.

A. B. ARNOLDY,

Chief Staff Officer
To Executive Commissioner

*See M. 64.
SEE F. 77276.*

*BU
17/7
Noted
264*

*Ande B. Day Clark
For Anderson
up to 17/7*

5016
8
(63)

EMBASSY OF THE
UNITED STATES OF AMERICA

Personal and Confidential

JUL 12 1945

Dear Ellery,

I am sending you herewith a copy of a report prepared by Colonel Green following his inspection of the Sardinian coal mines and would be grateful if, after perusal of the report, you would be good enough to tell me what action you believe could be taken to impress on the new Government here the necessity of increasing the output of the mines in question.

Yours truly,

/s/ Alex. K.

Enclosures:

Report by Colonel Green.

Rear Admiral Ellery W. Stone,
Chief Commissioner,
Allied Commission,
Rome.

{20 page report - Only copy
is with Brig. Andersons

cc: Brig. Anderson
Exec. Commr.

see 65-1764

2268

(Copy to Ellery)

Hoat

63A

Ref: 3016/8/10.

12 July 45.

Subject: Plan for Coal Supply - G.N.S. Memo of 18 June 45.

To: Acting VP, Economic Section.

63C

Reference your AG/CE/136.14/Commerce of 7 July 45. I am instructed to inform you that copies of this memorandum should be forwarded to the recipients of the original G.N.S. memorandum of 18 June 45, ref. 30-2158. Will you please see that this is done.

*Returned to
c.c.*

For Chief Commissioner:

E. Talbot
Brigadier,
Executive Commissioner.

5016

File

863B

Extract from Minutes of Executive Commissioner's Meeting - 10 July 45.

Coal for Italy.

Pol Adviser (B) said the Polish Ambassador in Moscow had approached the Italian Ambassador there and opened negotiations for the supply of 80,000 tons of coal a month to Italy. Another offer to supply coal to Italy had been received from the Czechs.

Econ Sec said that the Coal Division were studying this.

660 Please see folios 1 & 2 x C.C.'s note attached. This was submitted to Econ Sect for study & Gen. McKimley's comment as attached (folios 3 & 4). Would you please present this to the C.C.

10/7/45

630-632

C.S.S. report referred to in Mrs. S. G. nearly folios 1-2. which referred to C.C. 12/7. - no signature

Executive Commissioner.

At folio 4 is a memorandum commenting on the plan for coal supply put up by O.S.S. at folio 2. C.C. will wish to see this.

10 July 45.

CSO.

1
Issue Briefing 4/8/45 Done
✓ Done 10/7 (folio 8)
M (10/7)

2260

2
Ex Com - do not let him see C.C. to see? E 12/7

HEADQUARTERS ALLIED COMMISSION

AFPO 394

Economic Section

CMC/JV

Tel: 489081 Ext. 303
478489

Ref: 42/CD/14 /6 /Commerce

7 July 1945.

JUL 7 1945

Subject : Plan for Coal Supply- O.S.S. Memo dated 18 June 1945.

TO : Executive Commissioner A.C. HQ

1. Reference your 5016/46/23 dated 29 June. The plan outlined in the attached O.S.S. Memorandum has been read and studied. It is considered that it is likely to cause much confusion to some of the recipients at this critical stage in the endeavour of this HQ to procure supplies of coal for Italy. One portion is a repetition of what is already well known, another is partly true and therefore misleading, and the remainder dangerously untrue.

2. Our comments on each of the suggestions in the Memo are:-

(para 1.) SULCIS COAL FROM SARDINIA is being transported to the mainland not in two boats of 5000 tons but during July, in as many as seven steamers totalling 42,000 tons.

THE ANTHRACITE FROM COHIE is being used. A recent report states:- "Actual production from 1944 to 1943 averaged between 10,000 and 12,000 tons per month. In 1944 the average dropped to 5,000 tons per month. 1945 production was at a maximum in March with 6,473 tons and during May was at a low of less than 3,000 tons. The primary reasons for this drop in production are a shortage of labour, inefficiency of available labour due in part to food shortage, and an apparent disinclination of workers to give a full day's work.

ALLIED IMPORTS Far greater quantities than mentioned in para 5 have been requisitioned.

(para 2.) GERMAN COAL The following is an extract from a report made by Col. Evans of the Coal Division on his recent return from both London and SWAGE HQ Frankfurt: "It is therefore generally accepted that the only hope of exportable surplus production lies in the

9

Subject : Plan for Coal Supply- O.S.S. Memo dated 18 June 1945.

TO : Executive Commissioner A.C. HQ

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

1. Reference your 5016/45/28 dated 29 June. The plan outlined in the attached O.S.S. Memorandum has been read and studied. It is considered that it is likely to cause such confusion to some of the recipients at this critical stage in the endeavour of this HQ to procure supplies of coal for Italy. One portion is a repetition of what is already well known, another is partly true and therefore misleading, and the remainder dangerously untrue.

2. Our comments on each of the suggestions in the Memo are:-

(para 1.) SUEZ CANAL FROM SARDINIA is being transported to the mainland not in two boats of 5000 tons but during July, in as many as seven steamers totalling 42,000 tons.

THE ANTHRACITE FROM COCKE is being used. A recent report states:- "Actual production from 1940 to 1943 averaged between 10,000 and 12,000 tons per month. In 1944 the average dropped to 5,000 tons per month. 1945 production was at a maximum in March with 6,473 tons and during May was at a low of less than 3,000 tons. The primary reasons for this drop in production are a shortage of labour, insufficiency of available labour due in part to food shortage, and an apparent disinclination of workers to give a full day's work."

ALLIED EFFORTS for greater quantities than mentioned in para 3 have been requisitioned.

(para 2.) RUHR COAL The following is an extract from a report made by Col. Evans of the Coal Division on his recent return from both London and SHARP HQ Frankfurt:

"It is therefore generally accepted that the only hope of exportable surplus production lies in the Ruhr coalfield of Germany. Dr. Potter and Lord Ryndley had just returned from a tour of the continental coalfields and seemed much depressed at what they had seen, particularly in the Ruhr. Of the 160 mines in the Ruhr coal basin, 139 are actually working, or in a fit state to work, but the present rate of disposable production is only 9000 tons per day which is about 3% of normal. There is a shortage of manpower, of rail transportation, of food, and the canal system is completely.

11/11/45-6-11-11
F 63A
(1- from my field)

out of commission. The miners are receiving only 1100 calories per day, and need about 37/4000. The Chairman ended his brief report to the meeting by saying that "unless drastic steps are taken in the highest quarters to increase production in the Ruhr, then this winter in Europe and the Mediterranean there will be disease, and there will be unrest". I asked that early and definite news be given by Washington and London of the coal which may be expected in Italy and Sicily in the next few months, even if the news be bad.

from which it will be observed that the position is being carefully watched and that the plan as mentioned in O.S.S. Memo is wholly impracticable at present.

E.B. McKinley
E.B. MCKINLEY
Brigadier General, USA
Acting Vice President

2258

5016
EX. COMAIR.
(62)

CG 4027

9 July 1945.

JUL 10 1945
MR EC
folio 53 of 100

Dear Mr. Ambassador:

With further reference to your letter of 2 July enclosing a report by Colonel Green on the Sardinian coal situation, I have received from the Economic Section an interim report, copy of which is forwarded herewith. As further information is received I shall, of course, forward it to you.

(56)

I am informed that the question of the use of German prisoners of war is not yet resolved by AFHQ. We are following this up both with AFHQ and, as pointed out by Brigadier Anderson, with the Italian Government.

Very truly yours,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

The Honorable Alexander Kirk,
American Ambassador,
119 Via Vittorio Veneto,
Rome.

cc: Chief Commissioner
Exec. "
ECON. SECTION

(Capt Arnold)

APR 17 2267
11/1

Translation

The Minister of Foreign Affairs
12123/28

5016
E.C.
Rome, 6 July 1945

(61)
JUL 10 1945
JUL 01 1945

Dear Admiral,

the Italian Government has only now, through the informations of our purchasing Mission in the United States, been informed about the recent constitution in London of the European Coal Organization, which, as you well know, is the organism for the centralization and allotment of coal in Europe. Besides the main producing countries, other consumer countries participate in this organization, not as members, but as 'represented Countries' (for inst., Norway, Denmark, etc).

You know our situation for what concerns coal, situation which can really be defined as 'tragic'. In Italy, everything depends from coal: labour, social peace, moral and material rehabilitation, and the questions connected with it form, at present, one of the chief preoccupations of the Government.

The absence of Italy, one of the main coal buyers, from a world organization for distribution means estranging her completely, and not even allowing her to express and illustrate her requirements.

I beg you therefore to take action for our Country to be admitted in the said Organization, because of the considerations that nobody can represent and support better than you, who closely follow the efforts of the Government and of the Nation to better, as far as possible, their fate and that of the working masses.

Trusting that the Allied Governments will grant this urgent request, I remain, my dear Admiral,

Truly yours,

G. De Gasperi

Admiral Ellery H. Stone
Chief Commissioner
Allied Commission
Rome

EC Dist - 9 JUNE 45

Action: ECON SEC

INFO: CHIEF COMMR
EXEC: C3256

SEE F 69-71

BU 13
7 Noted

(HAR ARNOLD)

✓ Tel. 406

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION
PRODUCTION DIVISION

DLA:lrw

506

Ref. ES/1512

6 July 1945

JUL 7 1945

SUBJECT: Sardinian Coal Mines Report

TO : Chief Commissioner

1. Reference Report by Colonel Green of the American Embassy on the Sardinian Coal Mines.

2. On the 18th of April, the Italian Government took over complete responsibility for the coal production in Sardinia and the Allied Commission has confined itself with giving of advice and assistance only. Considerable pressure has been almost continuously exerted on the Government to increase production.

3. Production in May exceeded the average for the previous 17 months by 19 percent and for the month of June, production has again risen and is equal to about 31 percent above the average of the 17 months ended April last. The fact remains, however, that the amount of coal being produced is less than half of what could be produced if adequate labor and efficient supervision were available.

4. I have spoken to Prof. Gronchi about the introduction of mechanical equipment which would increase production and he has promised to let me know whether the Government is prepared to purchase that equipment after he has had a discussion with his mining experts, whom he has called to Rome from Sardinia, in the course of the next week.

5. When I receive Sig. Gronchi's views, I will address another minute to you on this subject.

D. L. Anderson
D. L. ANDERSON
Brigadier
Deputy Vice-President

2255
See N. 57. 58
F 62
1759060

✓
(HARRIS)

(Copy forward for CC files - 7 July)

Ent 451

ANA/cl

Ref: 5016/55/NO

6 July 48

MEMORANDUM:

TO : Economic Section

1. Reference is made to our memorandum 5016/46/NO, 29 June, enclosing a copy of a plan for supply of coal to Lombardy, Piedmont, and Liguria by the Office of Strategic Services.

2. It would be appreciated if you would let us have your comments for the Chief Commissioner's information and return the documents sent to you under cover of the above-mentioned memorandum.

A. B. ARNOLDY.

Chief Staff Officer
To Executive Commissioner

B/u ¹²
Noted

2254

PA 13

50164

53

3 July 1945.

JUL 4 1945

Dear Alexander,

Thank you for your personal letter of 2 July enclosing a report by Colonel Green on the Sardinian coal situation. I have read the report with great interest and am taking it up with my Economic Section, after which I shall be able to reply specifically to the question asked in your letter.

Sincerely,

Elery W. Stone

ELERY W. STONE
Rear Admiral, USNR
Chief Commissioner

The Honorable Alexander Kirk,
American Ambassador,
119 Via Vittorio Veneto,
Rome.

DIST.
ECONOMIC SECTION
EX. COMM.
CC FILE

PM

W.S.

2252

PR
(LARS ARNOLD)

785017

Ref: AC/CD/136/Commerce.

30 June 1945

JUL 2 1945

My dear Mr. Prime Minister,

I write to acknowledge Signor Bonomi's signal of 16 June 1945 requesting an additional allocation of coal for the Province of Florence.

The following quantities of coal are at present being supplied to this Province:-

Florence gasworks.....	1,200	tons	monthly
Prato gasworks.....	140	"	"
Cineri Glass works.....	500	"	"

In addition an amount of 500 tons monthly is available for Toscana Region for essential provincial needs, part of which should be supplied to Florence. Further, it is proposed to make a first allocation of 250 tons to Pontassieve Cement Works.

A Release Order has just been issued, covering a three month period of approximately 800 tons metallurgical coke on stocks at Cokapuania. Regarding the balance of these very valuable stocks, arrangements are at present being made by this Commission for their transfer to the important Salway Chemical Works at Rosignano.

Bearing in mind the critical world situation of solid fuel, and especially the present shortage in the north of Italy, no promises can be made to increase the above-mentioned allocations to Florence area.

I would remind you that at the Valdarno lignite mine at San Giovanni, in the Province of Arezzo, approximately 25 miles south of Florence, there are stocks of about 140,000 tons of lignite available for use under local arrangements.

Yours very truly,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Professor Ferruccio Parri
The President of the Council of Ministers
Italian Government
R e m e

2251

785017

85016

50

Chief Staff Officer,
to Executive Commissioner

JUL 2, 1945

Subject: Rumoured diversion of coal ships from Genoa.

no. 8212-1

1 You will recall that I enquired the other day whether there was any truth in the rumour that three coal ships destined for Genoa had been diverted by the Allied authorities for political reasons and that you told me that enquiries were being made of the Regional Commissioner, Liguria. Has any reply been received from the latter? The Foreign Office have now telegraphed to us suggesting that if the rumour is without foundation and no local objection is seen thereto, the competent Allied authorities should issue a denial.

2 The Foreign Office also draws attention to another report which was carried by Rome radio on June 23rd to the effect that "the Allies have informed the Italian authorities that if the present labour agitation in North Italy does not end they will be forced to replace Italian workers by German Prisoners in important works". Unless this report is true, it should also presumably be denied. Would you please set the wheels in motion?

A. H. H. H.

Asst. Polad (US)

MO. VI. 45

Copy to Polad (US)

see 752. 54
2250

(Capt. Acknowledged)

785017

5016
INTER OFFICE MEMO

49
GBG/mdp

Ref. : AC/553/141/Tn 3

29 June 1945

SUBJECT : Coal for Northern Italy.

JUL 2 - 1945

TO : Executive Commissioner.

- 45
1. Reference your Inter Office Memo No 5016-EC dated 27 June 1945.
 2. There is no truth in the statement which appeared in the Italian Press "Giornale del Mattino" on the 22 June regarding the reason for the diversion of three vessels carrying coal for discharge at Genoa.
 3. At the Mediterranean Shipping Board Meeting A.F.H.Q. on the 19 June, the Board's attention was drawn to the fact that three colliers destined for Genoa discharge could not be accepted at that port. It was therefore agreed in view of the still indefinite date for the opening of Genoa, that alternative ports of discharge would have to be found, to avoid delays to the vessels concerned. Arrangements were accordingly made to divert these vessels to Southern ports.
 4. Since the date that this statement appeared in the Press, the port of Savona has been declared open and the "Benjamin Osborn" is at present discharging coal at this port.

Charles W. Miller for

E.B. McKINLEY,
Brigadier General U.S.A.,
Acting Vice President

*See Jols. 50.
Mins 54.*

5016

(H)

HEADQUARTERS ALLIED COMMISSION
APO 334
Transportation Sub-Commission

APW/bjs

Tel. Txt 312

266/112/Ts.3

25th June 1945
JUN 28 1945

SUBJECT. Coal to N. Italy.

TO. Regional Commissioner, Lombardy
" " " Liguria
" " " Piemonte
" " " Venezia.

1. Reference discussion at Regional Commissioners' conference on June 28th, the allocation for July for N.E. Italy is 11,878 tons of coal for the military railway service. None of this is for private railways.

2. For N.E. Italy there is a general Army allocation of 13,000 tons, out of which the railways will be supplied.

By command of Rear Admiral Stone

W. J. H. Evans
W.J. H. EVANS, Colonel.

Copy to Executive Commissioner,
Vice President of the Economic Section
Coal Section (for Colonel Evans)
N.E. Lombardy Region (for Major Talbot)

2248

W. J. H. Evans

(Capt. Adm. Stone)

(W. J. H. Evans)

785017

Ext 451

ABA/el

46

Ref: 5016/46/80

29 June 1945

MEMORANDUM:

To : Economic Section

original sent

1. Enclosed is a copy of a plan for supply of coal to Lombardy, Piedmont, and Liguria sent to the Chief Commissioner by the Office of Strategic Services.

2. The Chief Commissioner has requested that the practicability of this plan be investigated.

3. It would therefore be appreciated if you will study this plan and inform this office what your ideas are along the lines requested by the Chief Commissioner.

4. When the enclosed copy of the plan has served its purpose please return it to us.

A. B. ANNOLDY.

Chief Staff Officer
To Executive Commissioner

1 Incl:
as above

[Handwritten signature]
2/7/45
See 55

2247

785017

Ext 451

ARA/el

45

Ref: 5016/45/EC

28 June 45

SUBJECT: Coal for North Italy

TO : Economic Section

1. Reference is made to our file 5016/EC, 22 June, enclosing an article appearing in the "Giornale del Mattino" regarding above subject.

2. Your comments have been requested as to the truth, if any, in the statement contained in this article.

3. It would be appreciated if a reply could be had.

Chief Staff Officer
To Executive Commissioner

Handwritten signature and initials, including "H/O" and "Inded".

2246

785017

FILE COPY

(H)

5016/EC.

Coal for N. Italy.

Economic Section (2)

22 June 1948.

(40)

Attached is a translation of an article from today's "Giornale del Mattino". The Executive Commissioner would be glad to know if there is any truth in the statement contained therein.

(Sgd) E TALBOT

Lieut. Colonel,
Chief Staff Officer,
Office of the Executive Commissioner.

1045
BU 26 NOTED
6

2244

Translation

Giornale del Mattino - Friday, 22 June 1945

Three ships which were to take to Genoa coal for the industries of North Italy were ordered to change their course by the Allied Authorities.

These news which were heard tonight, made a great impression in the political milieu. The action taken by the Allied Authorities is considered as a warning to the new Government. As a matter of fact, it must be remembered that on the eve of the formation of the new Cabinet, the Allied Commission took care to restate in a communique which appeared in the Press, the conditions which the new Government would have to observe, according to the terms of the Armistice clauses. First among them is the maintaining of the existing political institutions.

E.O.

2243

Ref: 5016/EC.

20 June 1945.

SUBJECT: Output of Sardinian Coal.

TO : A/Vice President,
Economic Section (2).

1. In conversation with me at MILAN the Chief Administrative Officer, APHQ, emphasised most strongly the necessity of increasing the output of Sardinian coal to the maximum, not only to increase the imports of coal into Italy but to assuage the US and UK authorities and public opinion when asked to import US and UK coal into Italy.

2. Regional Commissioner, LOMBARDIA suggested that the introduction of Italian miners into the Saar and Ruhr, following an old established custom, might be commenced as soon as possible.

M S LUSH

Brigadier,

Executive Commissioner.

MSL/JG.

Copy to: Chief Commissioner.

2242

Tel. 408

5016
HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION
PRODUCTION DIVISION

CHAFLEW

(38)
652.

Ref. ES/1532

18 June 1945

19 JUN 1945

To: The Presidency of the Council of Ministers
Italian Government, Rome

1. Reference H.E. I. Bonomi's letter, number 475 dated 9 June 1945 relating to coal supplies for the municipal gas concern at Bologna.

2. Owing to the acute shortage of coal, it is regretted the request for an additional allotment of 40 tons per day cannot be approved by this Headquarters.

3. If the Italian Government consider that additional coal at Bologna is essential, this could be effected by a reduction and adjustment of the quantities allotted to other works.

Copy to:
Executive
Commissioner

Handwritten signature

Handwritten signature
(Miss [illegible])

Handwritten signature

2211

Ex relation

RA

JUNE 16/2130 B

5016
N/5410

JUNE 17/1200B

ROUTINE

RAMONT

TO REAR ADMIRAL KILNEY W STONE CHIEF ALLIED COMMISSION ROME

JUN 18 1945

IN CLEAR

15809 21735 QAB PREFECT FLORENCE STATES THAT THROUGH LACK OF FOSSIL COAL AND COKE INDUSTRIES OF THIS PROVINCE WILL SOON COME TO A STANDSTILL STOP TO AVOID THIS THE SAID PREFECT ASKED FOR 3000 TONS COKE COAL TO BE ALLOTTED ON THE AMOUNT AT PRESENT UNBLOCKED IN APUANIA STOP THANKING YOU FOR YOUR INTERVENTION I WAIT FOR YOUR ANSWER

PRESIDENT COUNCIL OF MINISTERS MINISTER INTERIOR

BOWOMI

DIST

ACTION : GO TO CHIEF COMMISSIONER (3)

INFO : FILE

Ex Comm Dist - 18 JUNE 45

ACTION : ECON SEC (2)

INFO : CHIEF Comm 2240

Ex Comm R

...

(L. A. Amor)

10051

COPY

50167 8262.
HEADQUARTERS ALLIED COMMISSION
APO 394
War Material Disposal and Italian
Prisoners of War Sub-Commission.

(36)

IPW/1/11/1426

12 June 1945

13 JUN 1945

TO : Executive Commissioner.
SUBJECT : Repatriation of Italian Miner POW.

(35)

Reference your 8262/83 dated 12 June 1945.

Para (1)

The telegram was despatched after discussion with the Economic Section and is the follow up of previous request for IPW who were coal miners. AC signal 9345 dated 8 June 1945 setting out proposals for total repatriation of all IPW requested first priority to be coal miners and older age group.

Para (2)

- (a) Economic Section agreed signal before despatch.
- (b) The Italian Government through High Commissioner for Prisoners of War is in accord.
- (c) I was not in the picture re the 6,000 German PW, but understand Italians are also required.

J.A. CAMPBELL
Lieut- Colonel
Director
WMD & IPW Sub-Comm.

2239

ACTION COPY ON FILE 8262/EC.

E.C.

~~SECRET~~
(S)

This looks
uncoordinated
with our
request for
6,000 German
POW's.

126 PLS explain Gms
cc

785017

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

Ref: 8262/30.

12 June 1945.

SUBJECT: Repatriation of Italian Miner POW.

TO : WMO & IPW Sub-Commission.

Please state:

- (1) On whose authority the attached telegram was sent;
- (2) Whether it has been coordinated:

- (a) with the Economic Section;
- (b) with the Italian Government;
- (c) with the request for 6,000 German POW.

MEL/30.

Copy to : File 5016/31.

M. S. LUSH
Brigadier,
Executive Commissioner.

2238

(33)

AFHQ G-5 SECTION

9492

10 June 1945

PRIORITY

RESTRICTED PD

PARA ONE PD SHORTAGE MINERS ITALY AND SARDINIA AND WORLD SHORTAGE COAL PD

PAREN TO AFHQ GEORGE DASH FIVE SECTION FROM ALCON CITE ATWMD PAREN

PARA TWO PD PREDICATES NEED FOR EARLIEST POSSIBLE RETURN ITALIAN MINERS
HELD PW BY ALLIES PD

PARA THREE PD REQUEST YOU DEMAND PRIORITY ACCORDINGLY PD.

WAD & IROW SUB COMD
288

Nicholas Piccino
CWO, U.S.A.
Asst., Adjutant

2237

785017

5016

~~PERSONAL AND CONFIDENTIAL~~

(32)

Ref: ES/15.12.

// June 1945.

12 JUN 1945

My dear General:

I am in receipt of your letter GAO/117 of the 31st May on the subject of indigenous coal and am glad to be able to tell you that the Italian Government shows signs of appreciating the seriousness of the situation and of improving it.

Production of the Sardinian mines for the month of May was 19 per cent higher than the average monthly output for the preceding 17 months. At the same time, we are not relaxing in any way our pressure on the Government. Anderson had an interview with the Minister of Industry, Commerce and Labour on the 5th and I attach a copy of the minute on the interview.

If the production does not continue to rise, I will then address a letter to the Prime Minister in person.

Sincerely yours,

/s/ Elmer W. Stone

ELMER W. STONE
Rear Admiral, USNR
Chief Commissioner

Lieut. General Sir Brian H. Robertson, Bt.,
K.C.V.O., C.B., C.B.E., D.S.O.,
Chief Administrative Officer,
ALLIED FORCE HEADQUARTERS.

P.S. As I recently wired, the
Ital. Govt. are asking for
6,000 German POWs for
mining.

EWS

(PA) [Signature]

2236

785017

Tel = 406

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION
PRODUCTION DIVISION

Ref. ES/15.12

6 June 1945

SUBJECT : Italian Industrial Needs for Coal.

12 JUN 1945

NOTES of a meeting between H.E. Gronchi, Brig. D.L. Anderson, and Lt. Col. W.J. Maskrey, held at the Ministry of Industry, Commerce and Labour on 5 June 45.

1. Brig. Anderson explained that there was a serious coal shortage developing throughout the world. He had just returned from England and an effort was being made to export to Italy a sufficient supply of coal to enable Italian industries to restart on the basis that unemployment should be reduced as much as possible. Allied sympathy was, however, being effected by the fact that the figures of indigenous production of coal did not indicate that Italy was making every possible effort to assist herself. Brig. Anderson explained that whilst he realised that difficulties existed in obtaining increased production in Sardinia, he thought Italy must make every effort to overcome them and he would be interested to hear what steps the Minister had taken or contemplated taking to improve the situation.

2. H.E. Gronchi replied that there had recently been considerable improvement in the tonnage figures in Sardinia but he agreed that the production figure of half a ton per man per day was low. Living conditions, however, were poor in the Island and food was expensive and difficult to obtain, owing to poor agricultural conditions. Brig. Anderson asked what could be done to improve the numbers of skilled and unskilled labour in the mines which were well known to be undermanned.

3. H.E. Gronchi replied that several methods of obtaining increased labour were being tried. These were :

- A. Soldiers who had had mining experience were offered immediate release from the Army subject to their going into the mines in Sardinia.
- B. A request had been made that Italian prisoners in Allied hands who had had mining experience should be released to assist coal production.
- C. Efforts were being made to induce labour without mining experience to accept service in the mines.

4. His Excellency stated that the position was peculiar in Sardinia, inasmuch as in times when agriculture was poor, labour moved from the land

into the/.....

- 2 -

(11) 30

into the mines for certain periods of the year so that the labour supply was always an uncertain factor.

5. Living conditions in Sardinia were a deterrent to migration from the mainland. Brig. Anderson enquired whether powers existed in Italy as in Britain to order labour into mining. H.E. Gronchi replied that except under military law such powers did not exist. Brig. Anderson stated that Col. Evans had been sent to London especially to plead the Italian case and there was a hope that eventually 300,000 tons per month might be exported. He felt, however, that it would depend on what Italy did for herself especially in Sardinia. H.E. Gronchi expressed satisfaction at the prospective import figure.

6. Brig. Anderson raised the question of increasing production at the Ribolla lignite mine near Grosseto (property of Montecatini Co.) The production is at present around 6,000 tons per month and the only difficulty in increasing production to 10,000/11,000 tons per month is apparently the provision of 400 more miners. H.E. Gronchi said this could not be settled locally as there was no living accommodation and they would need to be transported to and from their homes for which purpose 6 or 8 large passenger vehicles were necessary and had been asked for from AC. The situation at the Valdarno mine was also mentioned by Brig. Anderson. H.E. Gronchi stated that the mine was in serious financial difficulties owing to the fact that it could not transport for sale its production of 7,000 tons lignite per month, there being no rail facilities available. Funds existed to assist the company who had been informed accordingly.

7. Brig. Anderson raised the question of probable unemployment in the North and asked what means were being adopted to tide over the next three or four months when there will obviously be a shortage of work owing to lack of coal and raw material.

8. H.E. Gronchi stated that the industrialists of the North had been told that they must make whatever financial sacrifices were necessary in order to tide things over until the end of July when, if necessary, financial help would be available from the Italian Government and it was hoped that some sort of coordinated programme would be ready for implementation. He anticipated that in three months time there should not be more than 60,000 unemployed workers in the North.

Copy to :
Industry 3/0 (2)

2234

8

Exec Comm-
This needs ⁽³⁾
active follow
up, by
Brig Andam

Brig Andam ⁽⁶⁾
is handling
will report 8/12/5

785017

Translation

The President of the Council of Ministers

n. 475

Rome, 9 June 1945

11 0 JUN 1945

Dear Admiral,

I enclose a memorandum about the municipal gas concern of Bologna.

This plant kept on working, even during the worst bombardments, for the Germans always supplied the necessary fuel and spared it when they left.

A further diminution or a complete suspension of the distribution of gas would therefore create a most unfavourable impression on the population, besides causing great damage to the concern and the customers.

Will you kindly give orders for the necessary fifty tons coal to be daily supplied to this important concern.

Thanking you for whatever information you will be able to give me on this subject, I remain,

Truly yours,

S. I. Bonomi

Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
Rome

c.c.

EC DIST - 70 June

ACTION: - Economic Sec

INFO: - Chief Comm

: E. Comm.

Translation

Memorandum about the Municipal Gas Concern of Bologna

1)

Before the war, the Bologna Gas Concern distilled daily 220 tons fossil coal, distributing about 90,000 c.m. gas at 1,600 calories.

At present, the plant has managed to keep part of its furnaces in efficiency, and thus, would still be able to distill 100 tons fossil coal a day, which, completed with gasogene gas, might produce about 60,000 c.m. gas at about 3,200 calories.

These furnaces are in efficiency but not lighted, but for one of a possibility of 90 tons fossil coal daily, which is working.

This furnace has been kept alight thanks to the great efforts of the management to find the necessary fuel, and the concern is now managed so as to use 8/10 tons coal a day (capacity of one room); while water gas is produced in the other rooms. 12,000 c.m. gas at 1,500 cal. are thus produced.

The coke produced by the distillation of this fossil coal - 4 tons a day - is used to keep the furnace alighted.

It is obvious that this system which we have been carrying on for over 6 months, enables us to keep the furnace in readiness for a possible resumption of work, but does not allow us to produce any amount of coke for sale. On the other hand, the population is allotted an insufficient quantity of gas at a very low calorific power, and get therefore little benefit out of it.

Besides, from the economic point of view, we have a monthly loss of about 2,000,000 lire.

2) If the Concern could obtain about fifty tons fossil coal a day, we might reach the following results without lighting any of the other furnaces which are at present unlit.

a) we could distribute daily at least 30,000 c.m. gas at 3,000 calories.

This gas could be employed in normal apparatus, and there would be a sufficient amount of it to be an effective help to the population.

b) by increasing the selling rates of the gas from 2 to 3 lire a c.m., and by starting at the same time a more or less normal working, we might balance the monthly deficit of 2,000,000 lire that we mentioned.

c) we could produce daily 16,17 tons of coke for sale, which might be allotted to various institutes of the town, hospitals, etc. for heating purposes.

d) we would produce daily 40 tons of power which can be used in brick-kilns

3) We point out that the population of Bologna is at present using fuel stocks. Last year they felled the trees of the ramparts and of the parks. All the coke and lignite stocks have already been used. For next winter there is no fuel stock, either for heating or cooking purposes. It would

These furnaces are in efficiency but not lighted, but for one of a potentiality of 50 tons fossil coal daily, which is working.

This furnace has been kept alight thanks to the great efforts of the management to find the necessary fuel, and the concern is now managed so as to use 8/10 tons coal a day (capacity of one room) while water gas is produced in the other rooms. 12,000 c.m. gas at 1500 cal. are thus produced.

The coke produced by the distillation of this fossil coke - 4 tons a day - is used to keep the furnace alighted.

It is obvious that this system which we have been carrying on for over 6 months, enables us to keep the furnace in readiness for a possible resumption of work, but does not allow us to produce any amount of coke for sale. On the other hand, the population is allotted an insufficient quantity of gas at a very low calorific power, and get therefore little benefit out of it.

Besides, from the economic point of view, we have a monthly loss of about 2,000,000 lire.

2) If the concern could obtain about fifty tons fossil coal a day, we might reach the following results without lighting any of the other furnaces which are at present unlit.

a) we could distribute daily at least 30,000 c.m. gas at 3000 calories.

This gas could be employed in normal apparatus, and there would be a sufficient amount of it to be an effective help to the population.

b) by increasing the selling rates of the gas from 2 to 3 lire a c.m., and by starting at the same time a more or less normal working, we might balance the monthly deficit of 2,000,000 lire that we mentioned.

c) we could produce daily 16/17 tons of coke for sale, which might be allotted to various institutes of the town, hospitals, etc. for heating purposes.

d) we would produce daily 4/5 tons of power which can be used in brick-kilns

3) We point out that the population of Bologna is at present using 323 tons fuel stocks. Last year they felled the trees of the rampart and of the parks. All the coke and lignite stocks have already been used. For next winter there is no fuel stock, either for heating or cooking purposes. It would be really providential, if this concern can supply gas and produce a notable amount of coke.

You must take in consideration that the 50 tons that this concern requires daily are not burnt but in great part transformed in combustible products which can be more easily used, such as gas and coke. The concern is therefore transforming coal, rather than using it.

After having kept its plants working up to now, it will be most distressing if the concern cannot get the necessary fuel to keep the furnaces lighted and provide a satisfactory service.

(27)
- 2 -

We also point out that the Florence gas plant which used to supply an amount of gas equal to half that of the town of Bologna, has already been allotted 40 tons coal daily, plus 5,000 c.m. methane which it gets through the Pietrasanta Methanopipe line.

Bologna June 14th 1945

e.c.

2231

785017

SECRETEX 85469
MAY 31 22 179N/3177
JUN 01 08 30B
ROUTINEFROM: AFIR, SIGNED ALEXANDER CITY BUREAU
To: INFO ALCON FOR COAL DIVISIONHEADQUARTERS
1-JUN-1945

JUN 1 1945

Noted. This signal
not addressed to ALCON
for Action but only for INFO.**SECRET.**

This is LAC 1185.

Coal and coke requirements for ITALY/SICILY July through December reviewed in accordance GAI 1339 and LAC 1154 in light situation in NORTHERN ITALY.

1. Political and social conditions found in north indicate that dangerous unemployment situation will remain even if full program already submitted is supplied. Detailed examination being made but meanwhile consider that requirements put forward in our AG 463.3/045 SUP-0 dated 19 April fall well within the terms of military responsibility defined in paragraph 5 FAM 487.

2. Under control of Italian Government Sardinian mines are producing at rate of 42000 per month disposable wasted coal. Italian Government has been repeatedly urged to increase this production and will now be told very plainly that in view of world shortage of coal ITALY must exert herself to exploit her own resources to maximum. Further distribution of lignite will also be urged.

3. Coal is major limiting factor in development Italian economy. Essential therefore to relate all economic plans and requisitions to maximum availability. Accordingly request your earliest reply to LAC 1148 asking advice on availability.

Upon this advice we will investigate quantities and qualities of special coals and inform you accordingly.

SECRETACTION: Coal Div
INFO: Chief Commissioner
Room 300
Mine CommissionerIndustry S/C
Commerce
File & Plant 3

785017

5016

C/M

(24)

File on our last file

We should have quite the balance.

AFIS

8613

28 MAY 1945

PRIORITY

MAY 30 1945

SECRET PD

SUBJECT IS COAL REQUIREMENTS PD

PARA TWO AFIS FROM ALGER SITE ACOLL. PARA

CABLE CHARLES AMAL LOVE ONE THREE THREE NINE JULY THROUGH DECEMBER COAL AND COKE
REQUIREMENTS REVERE PD

PARA ONE PD IN LIGHT OF INFORMATION AVAILABLE OF SITUATION IN NORTH ITALY CIA
CIVILIAN COAL REQUIREMENTS IN AMAL FOX QUEEN LETTER AMAL GEORGE FOUR SIX THREE
ONE FOUR TWO FOUR FIVE ONE NINE APRIL ARE WELL WITHIN THE REQUIREMENTS NECESSARY
TO FULFILL THE MILITARY RESPONSIBILITY AS DEFINED IN PARA FIVE FOX AMAL FAN FOUR
EIGHT SEVEN PD

PARA TWO PD POLITICAL AND SOCIAL CONDITIONS POINT IN NORTH INDICATE NECESSITY
FOR SUBMITTING UPWARD REVISION OF THREE FIGURES FOR REASON THAT EVEN IF FULL COAL
PROGRAM ALREADY SUBMITTED IS SUPPLIED CIA DANGEROUS UNEMPLOYMENT SITUATION WOULD
STILL REMAIN PD DATA BEING PREPARED PD

PARA THREE PD UNDER CONTROL OF ITALIAN GOVERNMENT SARDINIAN MINES ARE PRODUCING
AT RATE OF APPROXIMATELY FOUR TWO ZERO ZERO ZERO TONS PER MONTH DISPOSABLE CASINO
COAL PD ITALIAN GOVERNMENT IS BEING CONSTANTLY PRESSURED TO INCREASE SUCH PRODUCTION

229

A 2/2

(23)

BUT LABOUR CONDITIONS MAKE IT A MATTER OF DIFFICULTY EVEN TO MAINTAIN THIS RATE
PD LIGNITE BEING PRODUCED AND DISTRIBUTED TO MAXIMUM HAVING REGARD TO
DIFFICULTIES OF RAILWAY TRANSPORTATION PD

2228

Copy to: Economic Section

Coal Division, Caracas S/O

132

Col. P.R. EVANS

NEEDHAM PROBING
CFO USA
ARST ADJUTANT

For approval by Brig. Gen. E.B. Mc Kinley.....

785017

ADA/son

Ref: 5016/10

24 May 1945

SUBJECT: Coal

TO : G-5 Section, Allied Force Headquarters

1. Reference is made to our cable, 7651 of 15 May, regarding the above subject.

2. Enclosed is a copy of a memorandum written by Brigadier D. L. Anderson, Deputy Vice President, Economic Section, H.Q. A.C., which graphically portrays Italy's coal requirements and the effect which a lack of coal would have on her industries and employment.

3. In view of your signal B-78557 of 20 May, it is felt that this memorandum should be of great assistance to you in co-ordinating the findings of the coal experts, now making an investigation for your Headquarters of conditions in Northern Italy, with the requirements for essential civilian imports.

For the Chief Commissioner;

Brigadier,
Executive Commissioner.

1 Encl: As in Para 2 above.

Copies to: British Embassy
U. S. Embassy

220/3

5016
INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Originator's Reference: **F78557**
Date/Time of Origin: **MAY 191945B**

Message Centre No: **E/1534**
Date/Time Rec'd: **MAY 200940B**
Precedence: **ROUTINE**

FROM: **AFHQ SIGNED SACRED CITE FHSUP**
TO: **HQ ALCON**

ACTION

CONFIDENTIAL

Subject is coal reference your 7651 dated 15 May cite AGEHE.

1. This Headquarters forwarded to CCS by AG 463.3/045 SUP-0 19 April the estimated coal and coke requirements for ITALY, SICILY and BALKANS for July through December 1945. The civilian requirements for ITALY/SICILY for August through December were based on the "Program of essential civilian imports 1945" prepared by your headquarters. Subject letter was agreed by your headquarters. Coal and coke will be called forward in the normal procedure.

2. Subject signal is not quite clear in view of this having been agreed. Is additional information now available.

3. As there is a party of coal experts now making an investigation of the actual conditions in NORTHERN ITALY it is deemed inadvisable to take further action until they have reported their findings.

DEST

ACTION: Executive Commissioner 2
INFO: A/President
Chief Commissioner
Econ Sec
File 2
Float

22
2226

CONFIDENTIAL

(CAPT ARNOLD)

Tel. 406

HEADQUARTERS ALLIED COMMISS ^{ON}
APO 394
ECONOMIC SECTION
PRODUCTION DIVISION

DLA:lrw

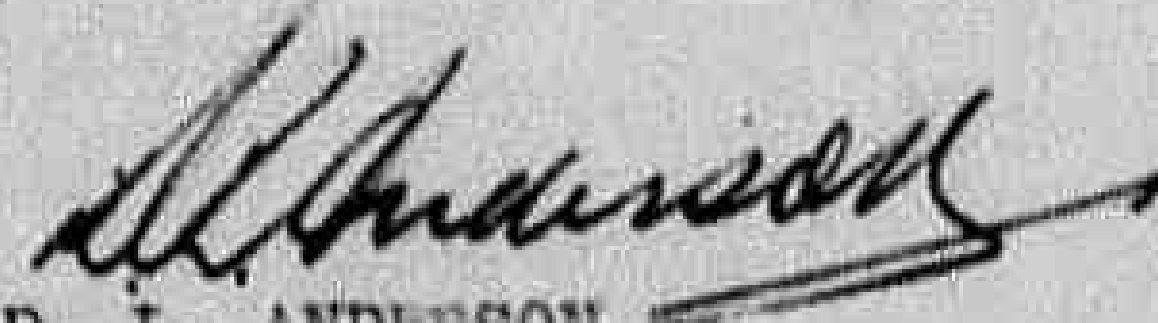
(16)

Ref. /ES

17 May 1945

SUBJECT: Attached Appreciation on Coal Situation
TO : Executive Commissioner

1. Herewith I send you an appreciation which
I have written on the coal situation in Italy and
the reflection of it on Italy's industries and
employment.


D. L. ANDERSON
Brigadier
Deputy-Vice President
Economic Section

Attachment

124437
10/1/47

785017

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION
PRODUCTION DIVISION

17 May 1945

APPRECIATION OF ITALY'S COAL REQUIREMENTS AND OF THE EFFECTS
WHICH A LACK OF COAL WOULD HAVE ON HER INDUSTRIES AND ON
EMPLOYMENT.

1. The average monthly consumption of coal in Italy, pre-war, was about 1,850,000 tons. Of this quantity, approximately 200,000 tons were produced in Italy and Sardinia, all lignite and low grade bituminous coal. The local production of coal and lignite has now dropped to approximately 110,000 tons per month, of which 75,000 is lignite of limited use and low calorific value. Production of bituminous coal is limited to Sardinia and will continue to be so limited until Italy resumes control of the Istrian Peninsula where she formerly obtained about 1,000,000 tons a year. If, therefore, Italy's industries are to be fully employed, she would require to import about 1,100,000 tons of coal per month. The 12 million tons of coal consumed in pre-war days was distributed to industry in the following manner:

	TONS
1. Railways & int. shipping	160,000
2. Gas works	125,000
3. Metallurgy & mechanics	985,000
4. Cement, lime, bricks	150,000
5. Glass, ceramics	35,000
6. Textile, clothing industry	65,000
7. Chemical ind.	100,000
8. Paper works	25,000
9. Food Industry	63,000
10. Electric Power	40,000
11. Domestic use	110,000
12. Miscellaneous industries	60,000
13. Ships Bunkers	30,000
TOTAL	1,253,000

2. In 1936, Italy had a population of approximately 43,000,000 of which more than 18,000,000 were gainfully employed. A division of the employed was as follows:

	NUMBER OF WORKERS	PERCENT
Agriculture and fishing	8,842,785	48.2
Industry	5,375,152	29.3
Commerce	1,504,220	8.3
		2224

1. The average monthly consumption of coal in Italy, pre-war, was about 1,250,000 tons. Of this quantity, approximately 200,000 tons were produced in Italy and Sardinia, all lignite and low grade bituminous coal. The local production of coal and lignite has now dropped to approximately 110,000 tons per month, of which 75,000 is lignite of limited use and low calorific value. Production of bituminous coal is limited to Sardinia and will continue to be so limited until Italy resumes control of the Istrian Peninsula where she formerly obtained about 1,000,000 tons a year. If, therefore, Italy's industries are to be fully employed, she would require to import about 1,100,000 tons of coal per month. The 14 million tons of coal consumed in pre-war days was distributed to industry in the following manner:

	TONS
1. Railways & int. shipping	160,000
2. Gas works	125,000
3. Metallurgy & mechanics	235,000
4. Cement, lime, bricks	150,000
5. Glass, ceramics	35,000
6. Textile, clothing industry	65,000
7. Chemical ind.	100,000
8. Paper works	25,000
9. Food Industry	68,000
10. Electric Power	40,000
11. Domestic use	110,000
12. Miscellaneous Industries	60,000
13. Ships Bunkers	30,000
TOTAL	1,253,000

2. In 1936, Italy had a population of approximately 43,000,000 of which more than 18,000,000 were gainfully employed. A division of the employed was as follows:

	NUMBER OF WORKERS	PERCENT
Agriculture and fishing	8,842,785	48.2
Industry	5,375,152	29.3
Commerce	1,504,820	8.2
Public administration	808,866	4.4
Transport and communications	702,201	3.3
Domestic service	660,725	3.6
Arts, professions, religion	269,981	1.5
Banking and insurance	100,543	0.6
Private administration	81,059	0.4
TOTAL	18,345,432	100.0

3. Of the 5,375,000 employed in industry, about 3,700,000 were employed in industries dependent on coal and a great number of the remainder were employed in industries

- 2 -

dependent either directly on the products of the coal-user industries or on the purchasing power of their employees. Commerce is dependent on the product of industry and the whole of the remainder of the gainfully occupied members of the community exist on the products of the two groups who produce real wealth, that is, the agricultural workers and the employees of industry.

4. It is, I think, a fair assumption to make that employment in those industries dependent on coal will be approximately in direct proportion to the amount of coal they receive and that any diminution of the output of and employment in the coal-user industries will be reflected by unemployment in the remaining industries and in the various services.

5. The coal import program for July to December is as follows:

	TONS
July	306,550
Aug.	284,200
Sept.	307,500
Oct.	366,900
Nov.	366,900
Dec.	366,900

Apart from the month of July, no assurance has been given that these imports will in fact be met. When Lt. Col. Ellis, CA 16, War Office, visited here a short time ago, he informed me that the world shortage of coal and the needs of other theatres would probably mean that the coal available for Italy would be less than the figures quoted above. Assuming, however, that an average of 300,000 tons is supplied and providing the premise that employment in coal-using industries will vary directly with the amount of coal available to them is correct, it would appear that there will be about 75 percent unemployment in these industries. That will amount to about 2-3/4 million.

6. The repercussions which this unemployment will have on other industries and other forms of occupation are difficult to estimate, but of the remaining 14 to 15 million workers, I do not think it would be an over-estimate to say that they may be affected to the extent of at least 10 percent. For example, the building industry which employs nearly a million people will be practically brought to a stand-still without steel and cement, both of which require coal to produce them.

7. On the foregoing basis, the estimate of the figure of between four

they receive and that any diminution of the output of and employment in the coal-user industries will be reflected by unemployment in the remaining industries and in the various services.

5. The coal import program for July to December is as follows:

	TONS
July	206,850
Aug.	284,200
Sept.	207,500
Oct.	266,900
Nov.	266,900
Dec.	266,900

Apart from the month of July, no assurance has been given that these imports will in fact be met. When Lt. Col. Ellis, CA 16, War Office, visited here a short time ago, he informed me that the world shortage of coal and the needs of other theatres would probably mean that the coal available for Italy would be less than the figures quoted above. Assuming, however, that an average of 300,000 tons is supplied and providing the premise that employment in coal-using industries will vary directly with the amount of coal available to them is correct, it would appear that there will be about 75 percent unemployment in these industries. That will amount to about 2-3/4 million.

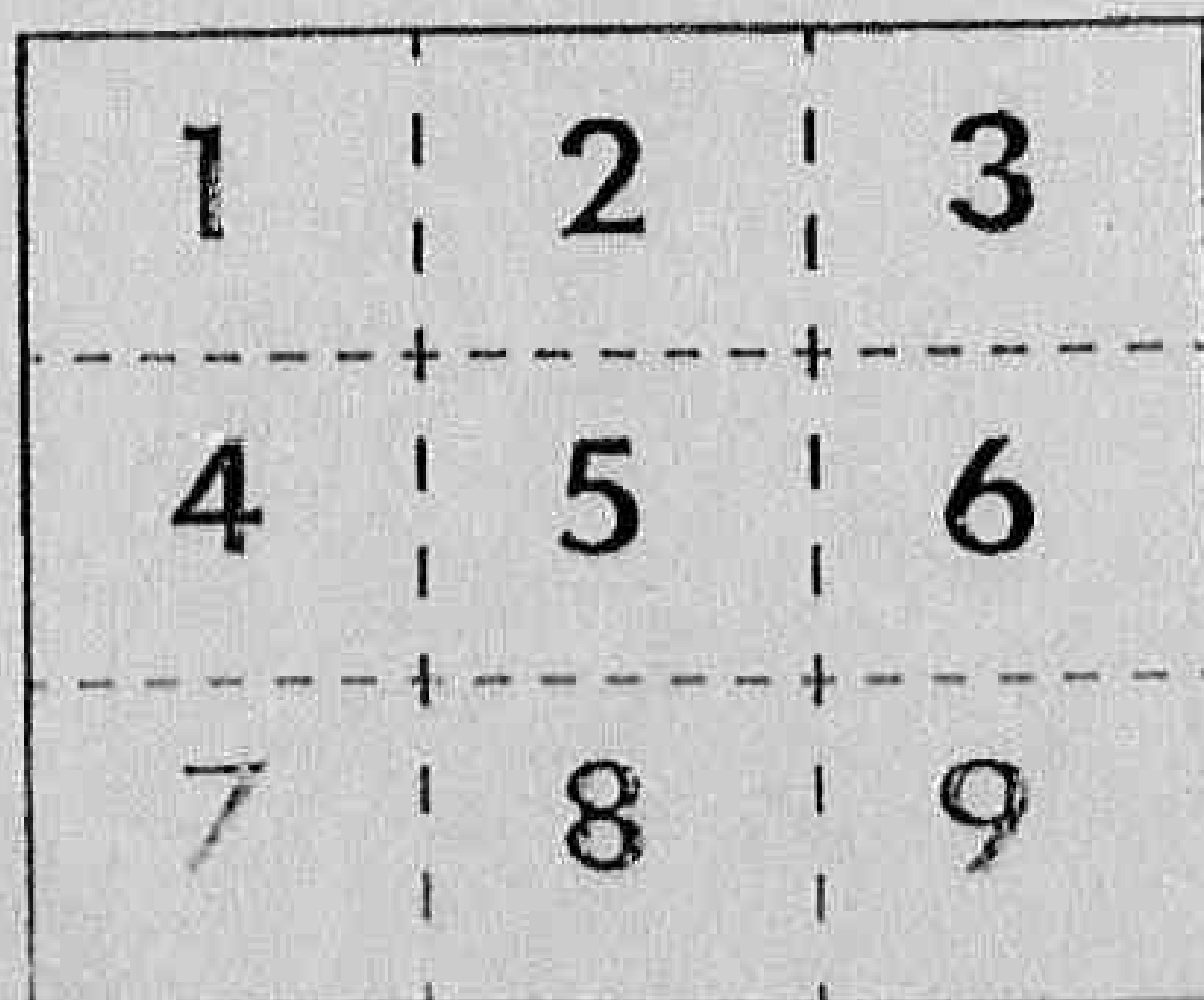
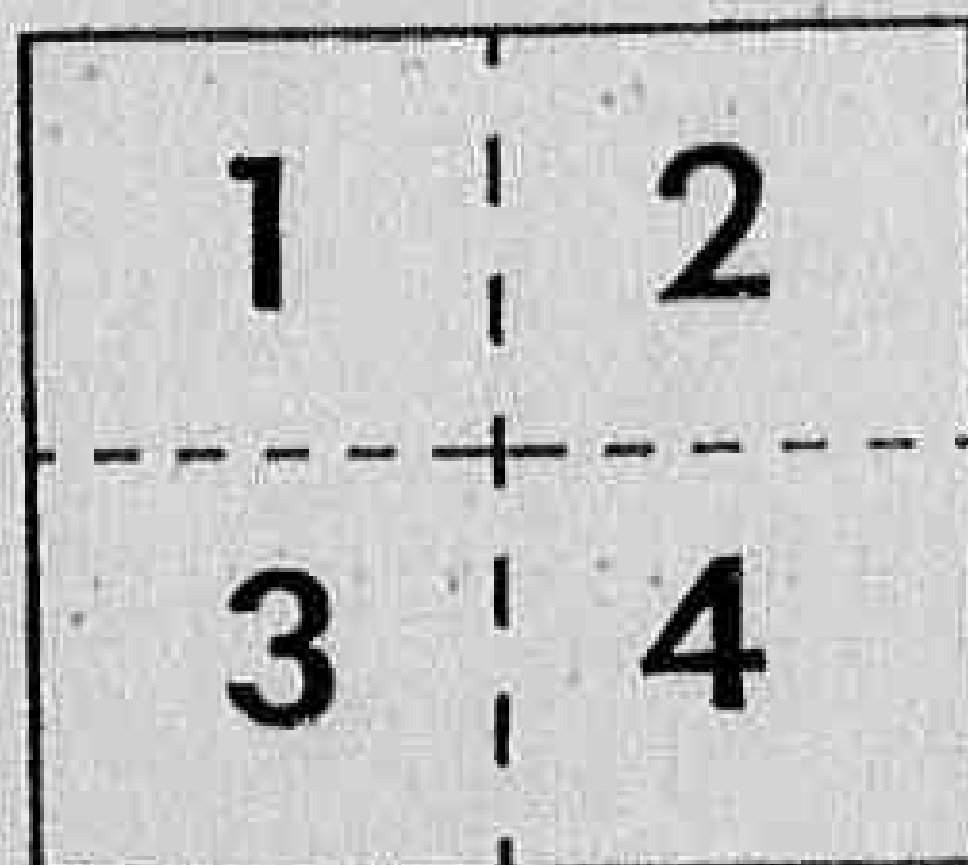
6. The repercussions which this unemployment will have on other industries and other forms of occupation are difficult to estimate, but of the remaining 14 to 15 million workers, I do not think it would be an over-estimate to say that they may be affected to the extent of at least 10 percent. For example, the building industry which employs nearly a million people will be practically brought to a stand-still without steel and cement, both of which require coal to produce them.

7. On the foregoing basis, the estimate of the unemployment in Italy amounts to a figure of between four and five million people. Attached to this appreciation is a diagram showing the manner in which industries are interconnected. Its pattern illustrates clearly the intricacy of the weave between them and shows that if the threads connecting the coal-using industries to others are cut, the whole will probably become disorganized.

D. L. Anderson
D. L. ANDERSON, Brigadier
Deputy Vice-President
Economic Section

MAPS AND CHARTS TOO LARGE TO FILM
ON ONE EXPOSURE ARE FILMED CLOCKWISE
BEGINNING IN THE UPPER LEFT CORNER,
LEFT TO RIGHT, AND TOP TO BOTTOM.

SEE DIAGRAMS BELOW.

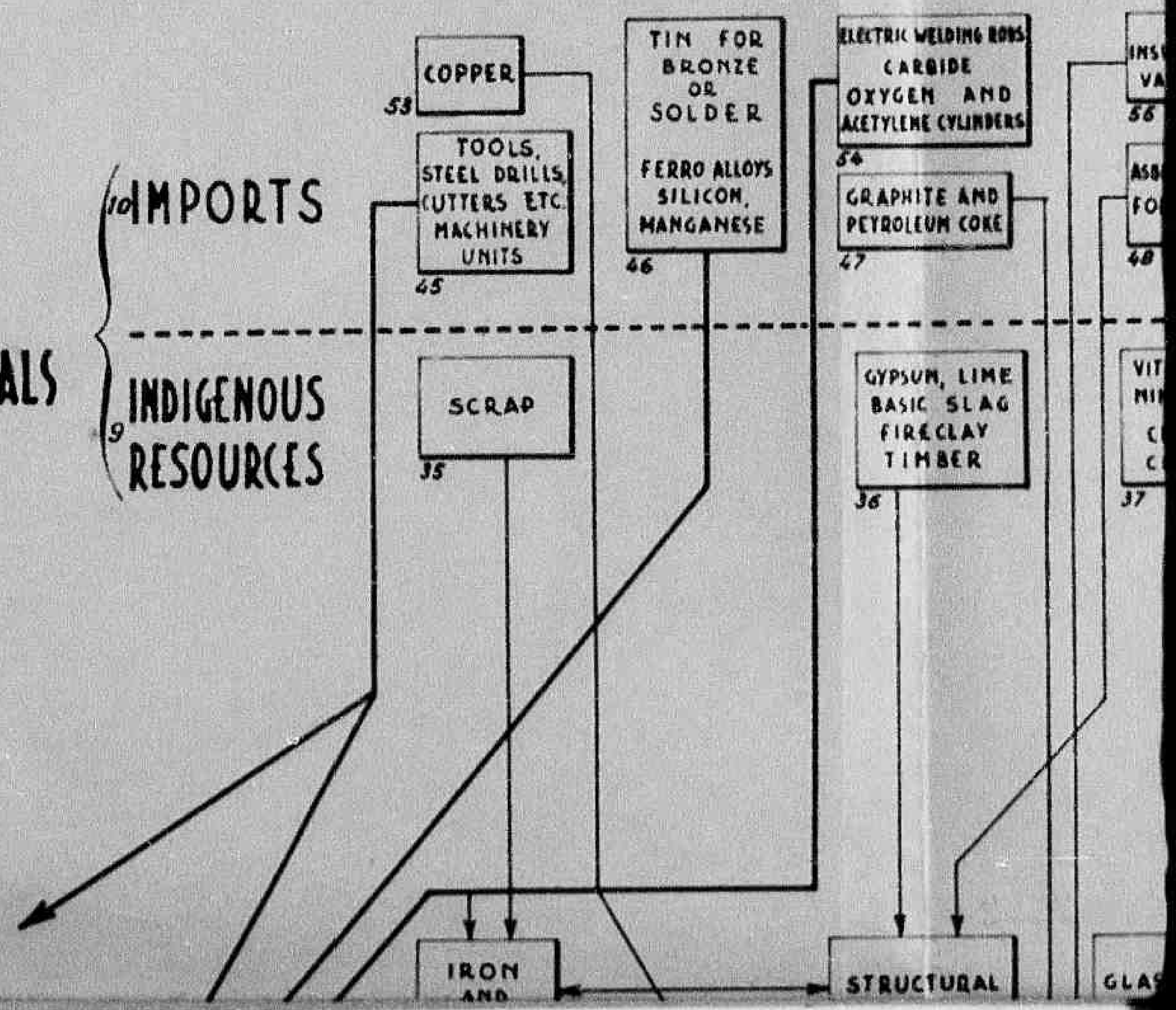


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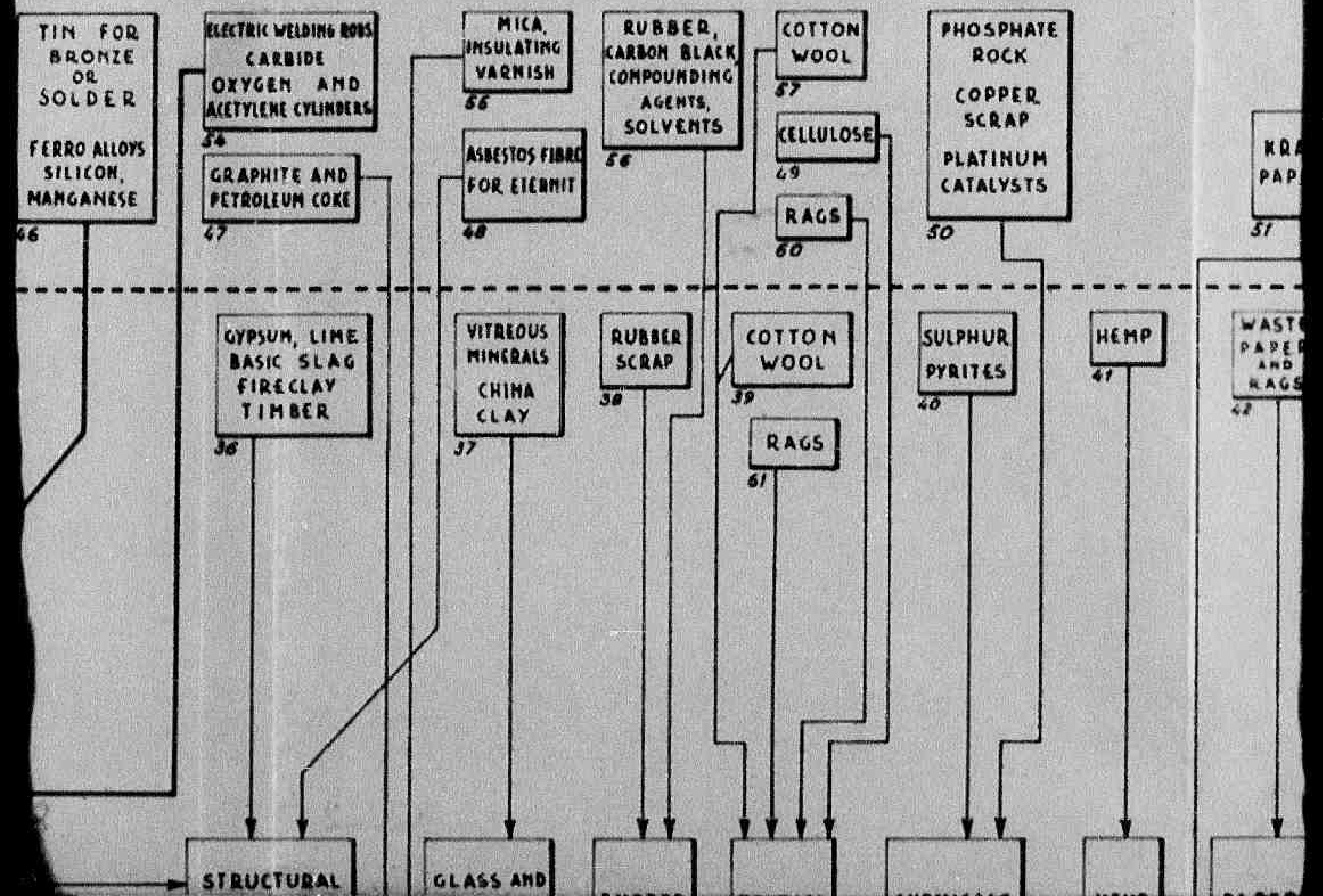
BASIC
AND
RAW
MATERIALS

10 IMPORTS

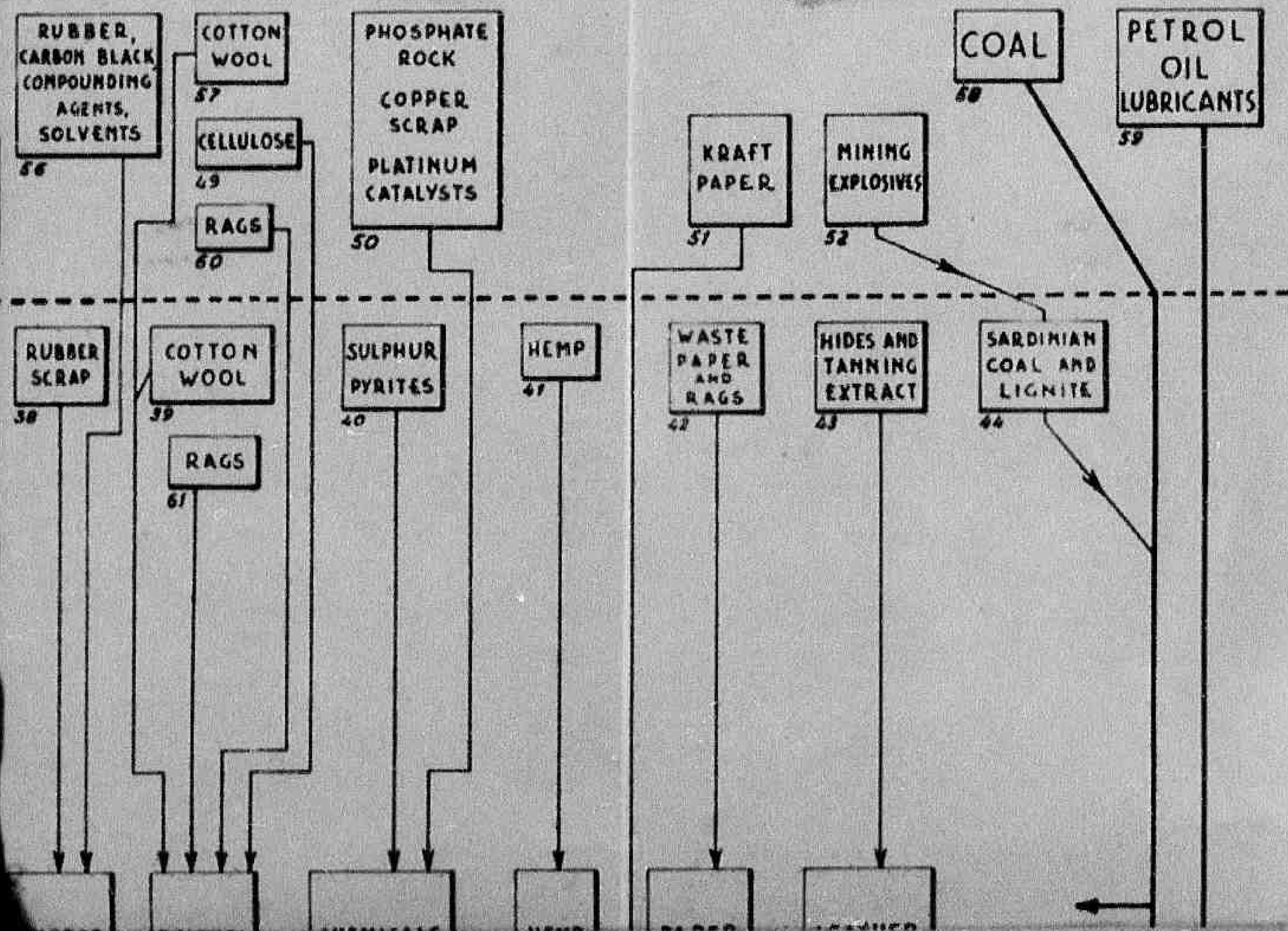
9 INDIGENOUS
RESOURCES

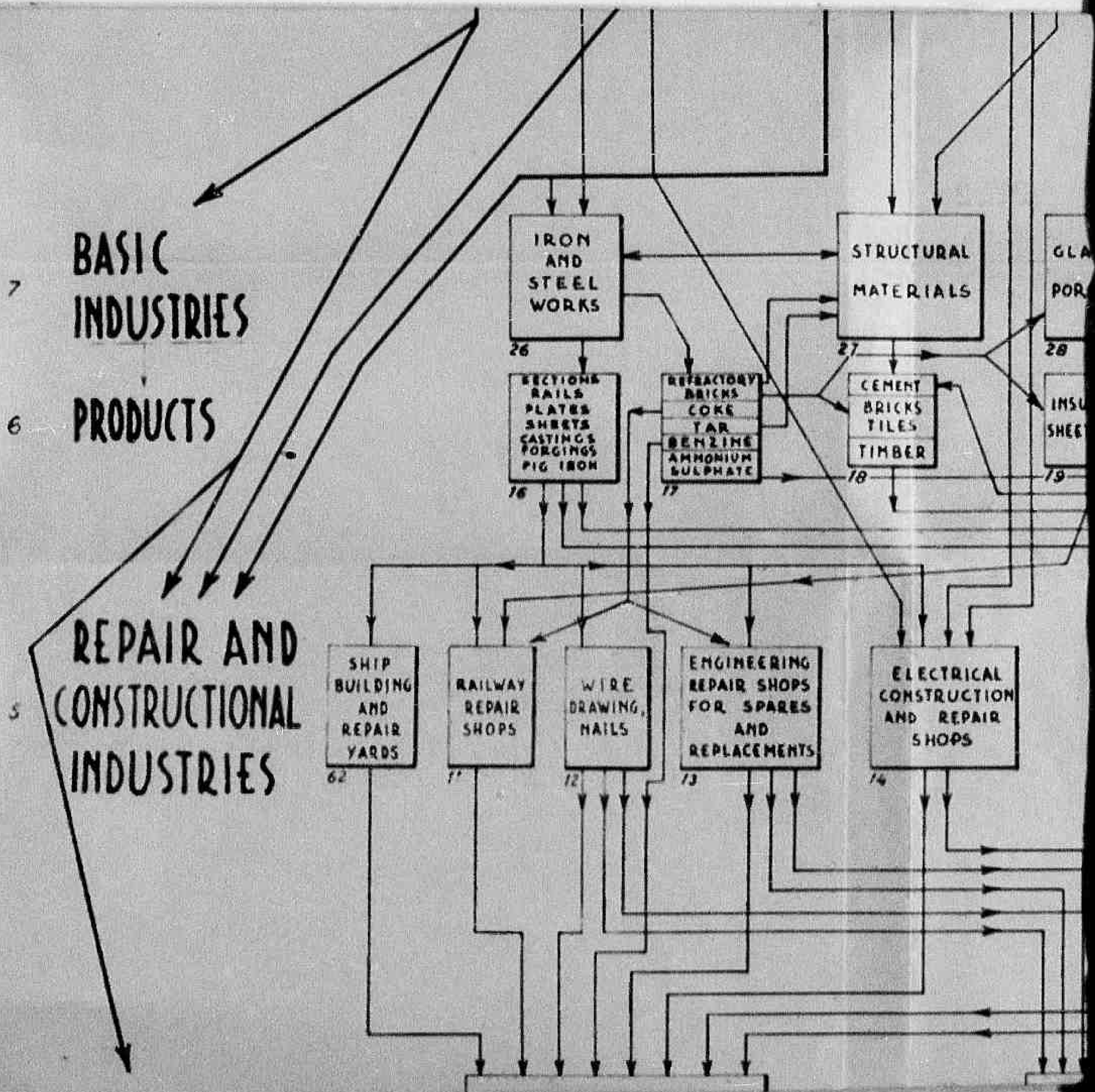


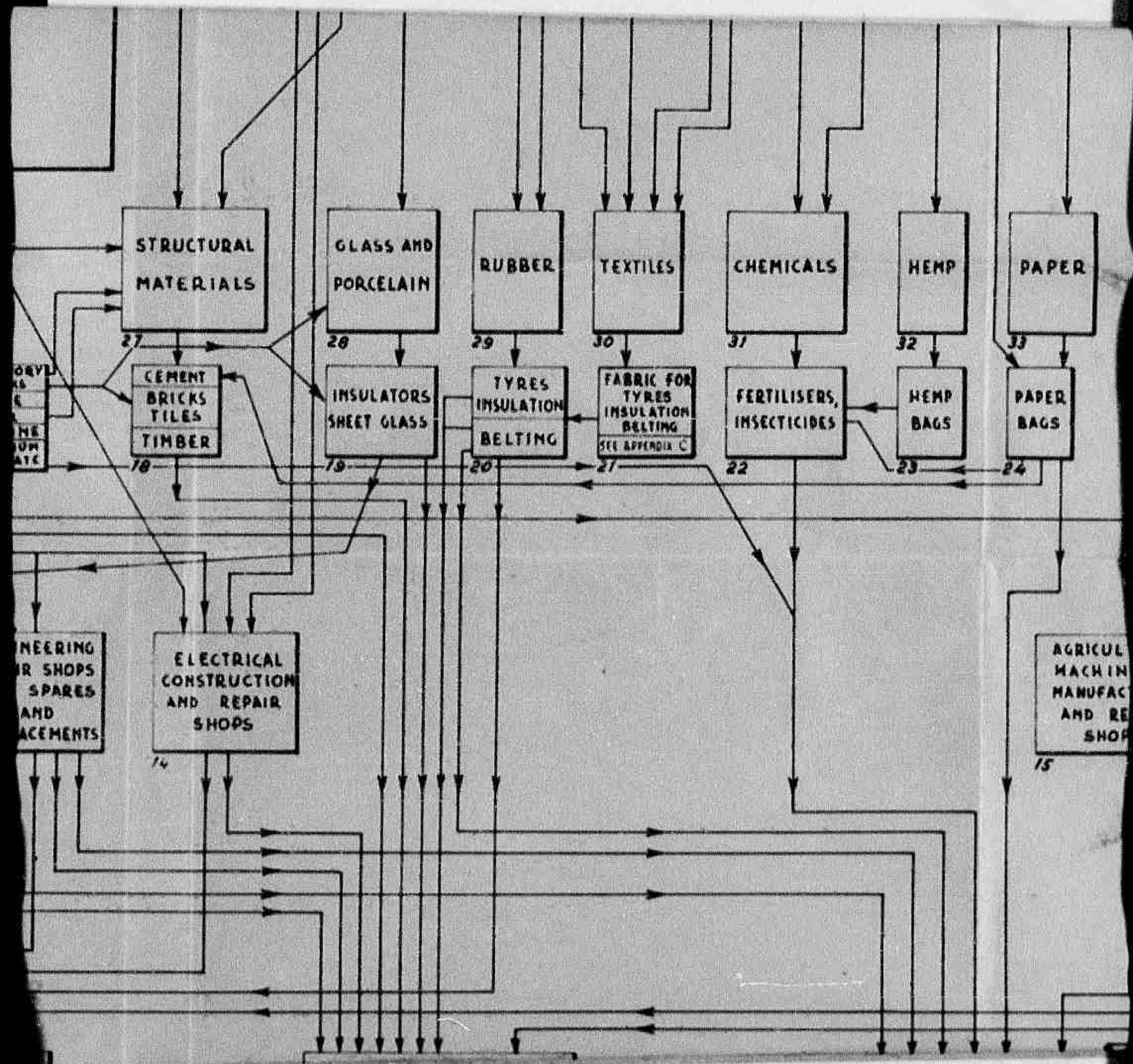
Interdependence of industries and services

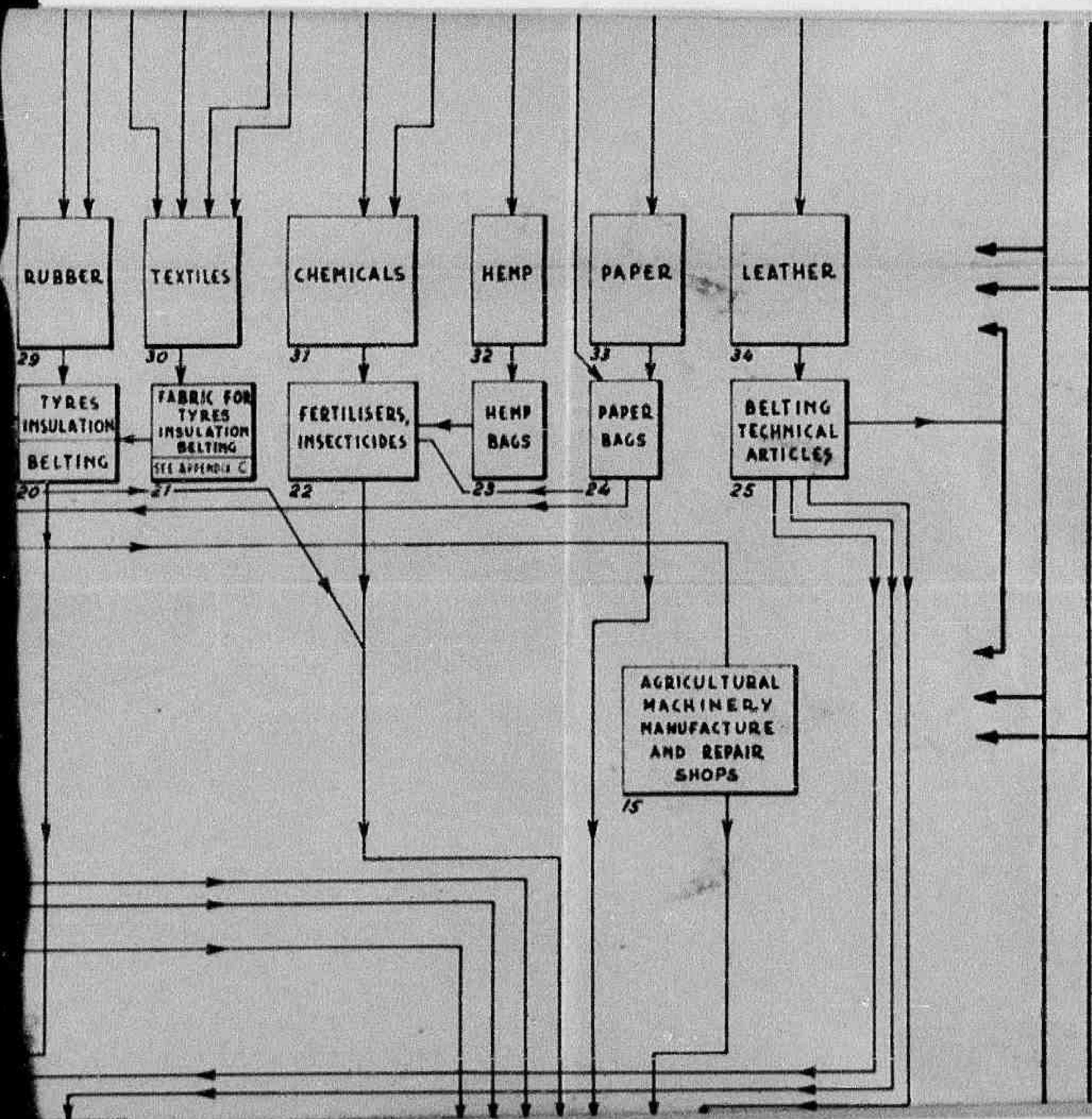


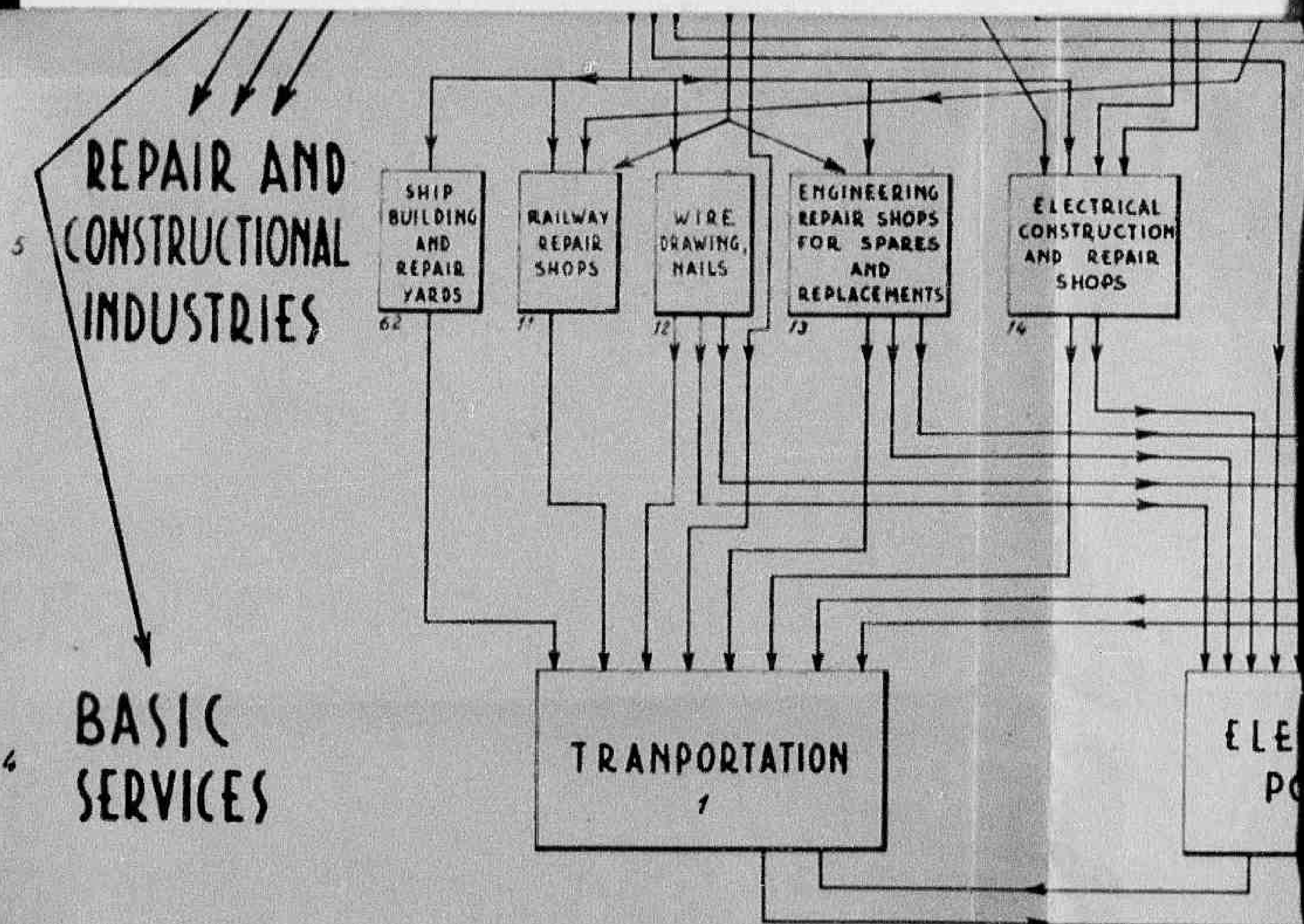
Prevalence of industries services

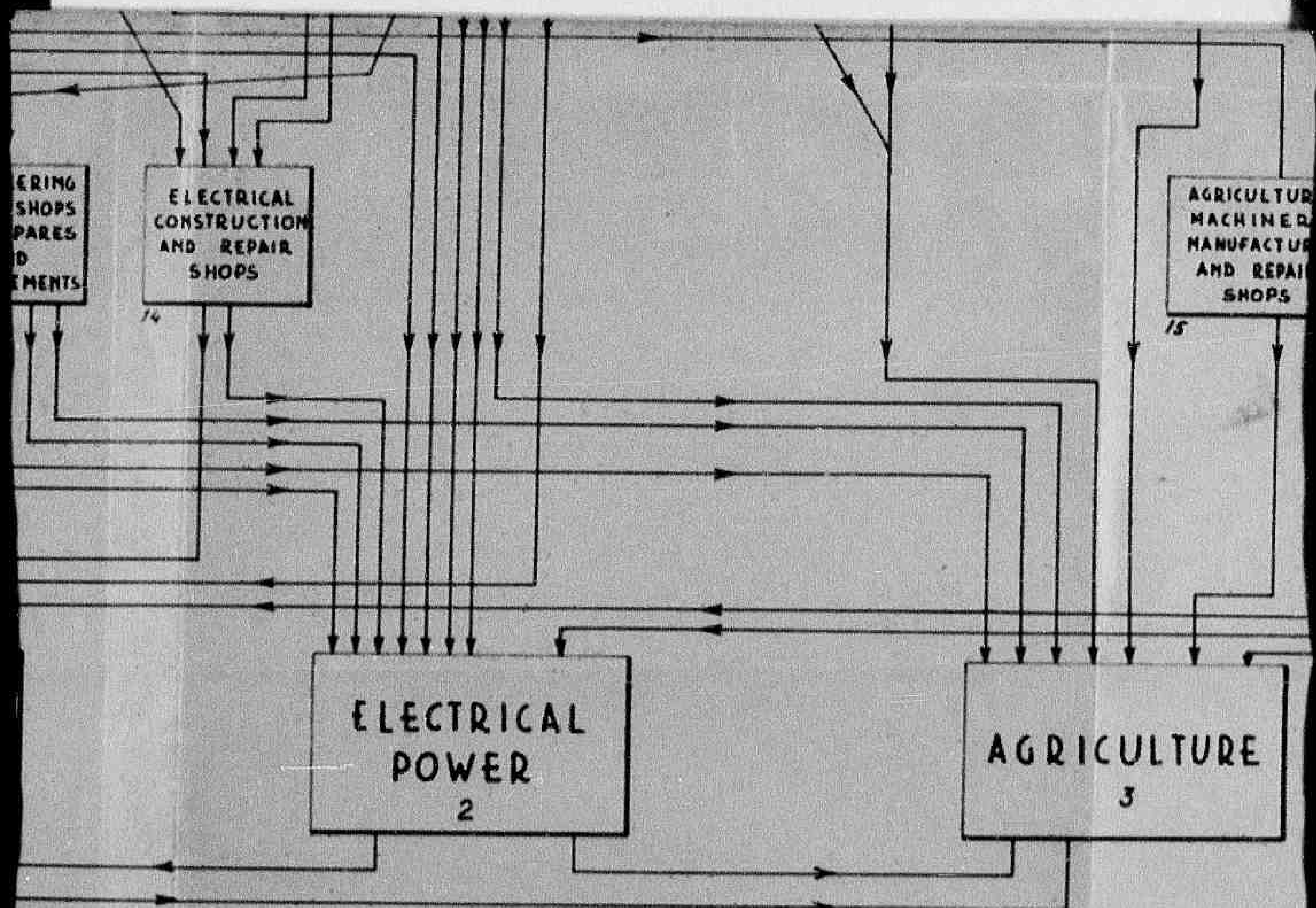


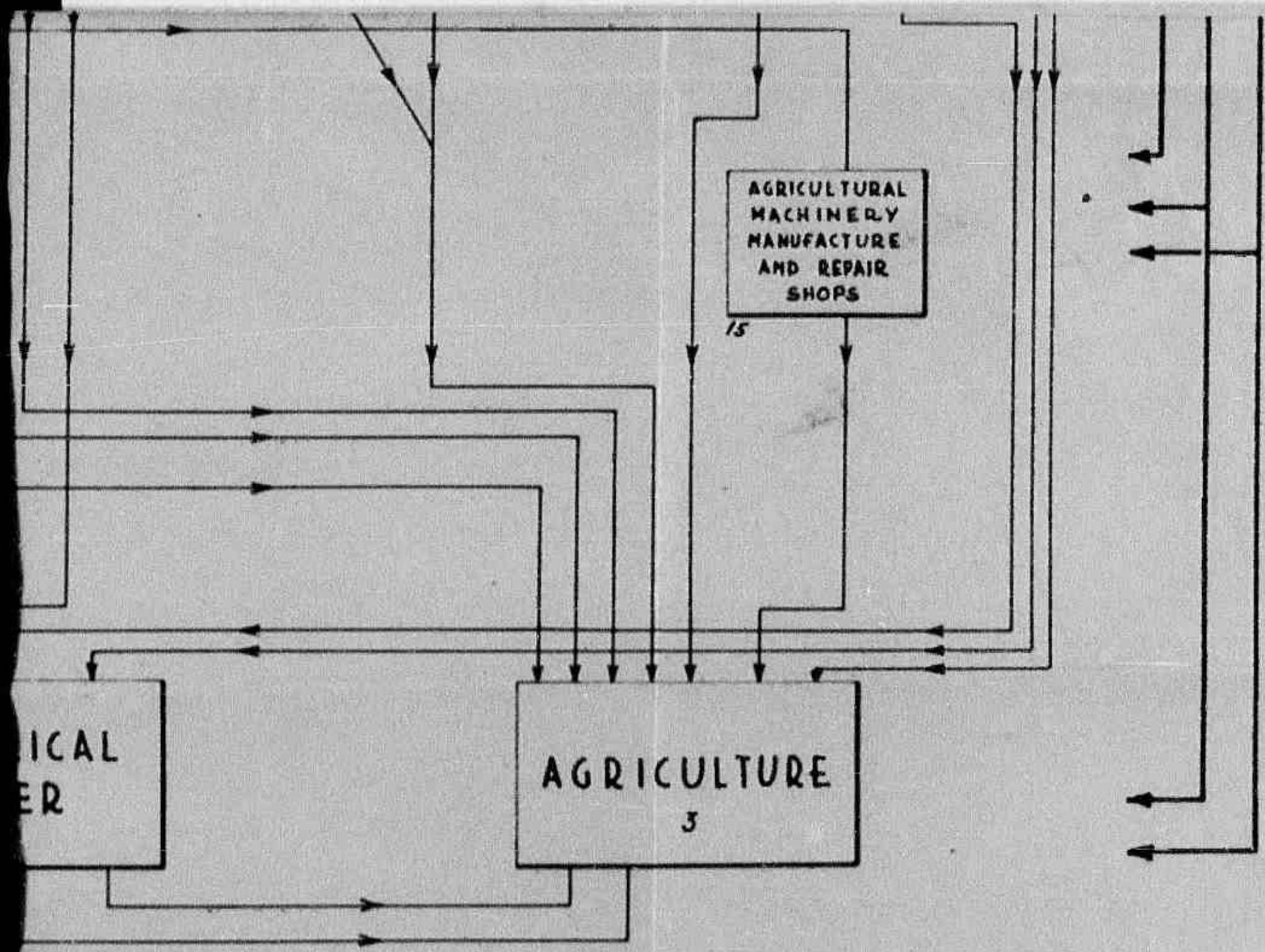












785017

5016

IMMEDIATE ACTION

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

CBH/emg

15.12/ES

16 May 1945

SUBJECT: Coal for the North

TO : Executive Commissioner

MAY 16 RECD

1. Reference is made to your 5010/-/EC of 5 May 1945.
2. Attention is invited to LAC 1149, dispatched 7 May by AFHQ to Washington, and received for information by Allied Commission on 10 May (E/57).
3. The present status is that no reply has been received, and that AC has no information on the rail situation between Switzerland and North Italy. AFHQ and Military Railway Service have been requested to forward any information as soon as possible.
4. In regard to the request of the CLNAI, no decision has been made regarding allocation of the coal, whether to industry or for other purposes.

E. B. McKinley
E. B. MCKINLEY
Brigadier General, U.S.A.
Acting Vice-President
Economic Section

See M 16
2221

(Capt Arnold)

IMMEDIATE ACTION

COPY

11

Ref/5010/-/EC.

5th May 1945

To : Vice President,
Economic Section.

SUBJECT :

Coal for the North.

The following message has been received from the Political
Advisers:-

"Yesterday Committee (CLNAI) put forward plea for urgent supplies of
coal to enable factories to be re-opened. AMI learn that 8000 tons
of coal are loaded in wagons standing in different sidings in SWITZERLAND.
There were frozen as a result of all Allied and Italian diplomatic
pressure against sending supplies to Republican Italy".

Please take immediate action and report on it to me.

(Sgd) H. S. LUSH
Brigadier,
Executive Commissioner

COPY ON FILE 5010/EC.

file 12

2220

785017

10

AFHQ for G-5

7651

15 May

PRIORITY

CONFIDENTIAL PD

SUBJECT IS COAL PD

PARA ONE PD I TRUST THAT THE URGENT NEED OF COAL FOR ITALY IS BEING
REPRESENTED WITH GREATEST VIGOUR TO COAL CONTROL AUTHORITIES PD

PAREN TO AFHQ FOR GEORGE DASH FIVE SECTION FROM HQ ALCON CITE AGEXC PAREN

PARA TWO PD ITALY NORMALLY CONSUMES NOT LESS THAN TWELVE MILLION TONS A
YEAR PD IN PRESENT CIRCUMSTANCES LOCAL PRODUCTION WILL FURNISH LESS THAN
HALF A MILLION TONS PER YEAR AND IMPORTS FOR CURRENT MONTH ONLY ONE NINE
ZERO ZERO ZERO ZERO TONS PD INFORMATION RE IMPORTS FOR SUBSEQUENT MONTHS
NOT YET RECEIVED PD ALREADY THERE ARE URGENT DEMANDS FOR COAL FROM THE
NORTH PD AND THE ISTRIAN MINES ARE IN TITOS HANDS PD

PARA THREE PD I AM FURNISHING WITHIN THE NEXT FEW DAYS A MORE DETAILED
SURVEY PD I MUST POINT OUT NOW THAT THE EMPLOYMENT OF MILLIONS PARTICULARLY
IN THE NORTH DEPENDS ON COAL CLN THAT UNEMPLOYMENT LEADS TO UNGREST AND THAT
UNGREST IN THE PRESENT STATE OF ITALY MIGHT EASILY LEAD TO GRAVE DISORDERS
WHILE WE ARE STILL IN OCCUPATION

Copy to: Economic Section (2)
Executive Commissioner

343
M. B. LUSH
Brigadier
Executive Commissioner.

See (17)

6/6 2219
25/5 P/A 15/5

785017

⑥

DRAFT SIGNAL.

TO : AFHQ for C-5

Subject is Coal.

I trust that the urgent need of coal for ITALY is being represented with greatest vigour to coal control authorities.

ITALY normally consumes not less than twelve million tons a year.

In present circumstances local production will furnish less than

for current month only 190,000 tons. Information re half million tons per year and imports for next few months are about 500,000 tons. In subsequent months not yet known. Already there are

urgent demands for coal from the North. And the ISTRIAN mines are

in TITO's hands.

I am furnishing within next few days a more detailed survey. I

must point out now that the employment of millions particularly in

the North depends on coal; that unemployment leads to unrest and that

unrest in the present state of ITALY might easily lead to grave disorders

while we are still in occupation.

Copy to: Team Sec (2)

2218

I trust that the urgent need of coal for ITALY is being represented with greatest vigour to coal control authorities.

ITALY normally consumes not less than twelve million tons a year.

In present circumstances local production will furnish less than half million tons per year and imports *for current month only 190,000 tons. Information re imports for subsequent months not yet received.* ~~are about one hundred and fifty thousand tons per month.~~

Already there are urgent demands for coal from the North. And the ISTRIAN mines are in TITO's hands.

I am furnishing within next few days a more detailed survey. I must point out now that the employment of millions particularly in the North depends on coal; that unemployment leads to unrest and that unrest in the present state of ITALY might easily lead to grave disorders while we are still in occupation.

Copy to: Team Sec (r)

See Minutes 7.8.9.
Lolio to.

2218

(17)

785017

~~SECRET~~
SECRETFY 78231
MAY 072105BE/57
MAY 100700B
ROUTINE

AFHQ 072105B

From: AFHQ SIGNED ALEXANDER CITE PRSUP AND PHOIM

To: ALOOM

MAY 12 1957

SECRET.

This message is LAC 1149.

Have received report that approximately 6000 tons coal loaded in Wagons is standing in sidings in SWITZERLAND having been frozen as result diplomatic pressure against sending surplus to northern ITALY. Request that all financial and other arrangements may be made for this coal to be released to this Headquarters. Once released direct communication with Swiss authorities on consignment instructions considered desirable. This Headquarters not yet able to advise on possibilities of rail movement but these being explored and results will be advised earliest. Meanwhile request no adjustment be made in sea import programme until we can confirm possibility of movement.

See 12
DIST
ACTION: Econ Sec 3
INFO: A/President
Chief Commissioner
File & float 3

2217

COPY

(CAMP ARNOLOV)

(1 copy of file)

785017

HEADQUARTERS ALLIED COMMISSION
APC 394
ECONOMIC SECTION

EM/10.12

12 May 1945

SUBJECT: Coal Stocks in Italy

TO : Executive Commissioner

1. Civilian coal stocks in Italy today are 71,000 tons. Military stocks including railways are unknown but AMEC will supply this information if desired. There are thought to be about 125,000 tons. Civilian stocks are allotted as follows:

Civilian stocks in West Italy	25,000 tons
Civilian stocks in East Italy	1,700 tons
Civilian stocks in Sardinia	8,000 tons
Civilian stocks in Sicily	30,000 tons
Civilian stocks in Reggio	4,000 tons

Note: These last three figures include Italian operated railways.

2. The anticipated coal importation for June is 145,900 tons to which must be added a local production of about 40,000 tons, making a total availability of approximately 187,000 tons. It is intended to allot this as follows:

Railways and Military	95,700 tons
Civilian Requirements - Italy - Sicily - Sardinia	90,000 tons

Of these quantities 20,000 tons will be put into Genoa for civilian needs in Northern Italy. There remains ~~excluding~~ the above 187,000 tons, a floating reserve of 30,000 tons, this being the balance of a loan made to the Middle East. Before allotting this it would be prudent to take cognizance of the future coal position in Italy. In normal times Italy consumed about fourteen million tons of coal a year, of which she produced only one and one-half million tons, the balance being imported. Her own production is now barely one-half million tons per annum and this cannot be materially increased unless Italy is in possession of the Italian Peninsula.

See 7.12.16

785017

3. The maximum rate at which coal can be imported and delivered during the next few months will probably be of the order of 250,000 tons per month. We are therefore faced with the position where there is a consuming capacity with full employment of over one million tons per month and availability of less than 50,000 tons per month. The need for the retention or conservation of the small reserve of 35,000 tons is therefore apparent and it is recommended that it be not consumed until the position has been more fully examined.

4. The foregoing figures exclude lignite as its use is limited and its sources are usually ancillary to the works where it is consumed.

W. Anderson
Brig.

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

CONFIDENTIAL

(2)

1058
MAY 0000208

E/SI
MAY 1009308
OF SECURITY

AG/S. 0-5 IV CONF'S WALKER - CRUMP
ALONG FOR INDUSTRIAL SUB-COMMISSION NAVAUGHAN

CONFIDENTIAL.

The general situation is much better than could have been expected with the exception of solid fuel of which the supply is practically nil or very limited supply in exceptional cases. Period rail road facilities from GENOVA via PLESSAHERIA and MONTARA are unavailable. Unless supplies of coal are made available immediately a general shut down of plants will be necessary causing disoccupation of 600,000 workers or more which will surely cause unrest and political disturbances.

Conservative estimates immediate coal requirements LOMBARDIA REGION: In tons:
9000 steam for railways 8000 splint for metal works and foundries 14000 gas coal
2500 foundry coke 20000 Sardinian for food processing, cement, paper, textiles, leather, chemical plants etcetera.

An urgent reply is requested as to when and how much of the immediate requirements can be met and recommend sending to MILAN immediately a coal expert.

DIST

ACTION: Industry S/C 2
INFO: A/President
Chief Commissioner
Econ Sec
Labour S/C
Coal Div
File 2
Float

2214

CONFIDENTIAL

785017

Ref : 4202/20.

14 May 1945

SUBJECT : Sitrep - TOGOANA Region

TO : Economic Section. (2)

1. Reference Sitrep TOGOANA Region May Y, 5A/87, dated 11 May 45, a copy of which has been passed to you for information.

2. Please note para 3 RF, which reads as follows, and advise this office of action, if any, taken.

"Unless more gasoline allocated fishing will cease.
Coal distributed to hospitals and bakeries only.
None available for industry."

Capt Arnoldy
for Chief Staff Officer,
To Executive Commissioner.

Copy to : File 5016/20.

2213