

0104

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

785017

ACC

10000/109/1005
(VOL. I)

0105

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

785017

10000/109/1005
(VOL. I)

SHIPPING POLICY
AUG. 1944 - MAY 1946

EC.

EC

99.

Folio 98 is the summary of the Court of the CAGENA Case requested by EC.

Mr 129 (2) refers. NOTE: EC requested this report on file 2603/EC Min 129-134.

Chief Commissioner.

98

Attached is submitted for your signature information

Summary of 8 sentences in CAGENA case

101

EC. Wolad

Mr 20/4

cc 2/2

REC

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0107

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Lo

W-3(70)

Please note folios ~~65~~ ⁶⁵ thru ~~69~~ ⁶⁹. re the arrest of
St. Eugenio Sarmella. Navy Sub. Comm. is handling
this matter.

(SEEN — SP 6/7/45
SURE Folio 69)

5138

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51.

Chief Commissioner

I think you should discuss this with CAO
 You will see that the views of Econ Sec. clash
 one with another & with your letter. I will
 inform Econ Sec. that I ~~3~~ represent A.C.
 Policy & must be followed. ⁴¹ *MSL*

52.

Exec. Comm.

I assume you mean P. 41.
End
cc

5 5 *cc* 53.
 I. My apologies - yes P. 41!
MS/eps

51.C.S.O.

Please see proviso to Executive Order 55 at 78 at 79.

8.8.45.

7/11
SH

5187

Ex. Com

49

To see file 48. *Feb 2 May.*

Ex. Commr.

49A

Reference 43 and 47.

As I told you when you were away, we wrote to AFHQ recommending that Italian schooners under 500 tons, other than those controlled by the services, should be returned to the complete control of the Italian Govt. and that a new organisation should be set up in place of OCGNA to handle these schooners. (page 41).

Mr. Antolini now encloses a letter from Col. Thomas, setting out a policy quite at variance with the policy set out in Economic Section's letter (page 37). In the first paragraph of that letter it states: "It is recommended that all Italian vessels under 500 tons gross registered tonnage should be returned to the Italian Government"; while in paragraph 2 of Col. Thomas' letter (page 47) it states: "It is felt that any 'complete' hand-back to the Italian authorities of schooner control will result in a decline in the amount of tonnage lifted...".

Personally, my brain is completely clear on the subject, though it does not look as if that of Economic Section is. No action is necessary for the moment until we receive a reply from AFHQ to the Admiral's letter at 41.

4 May 45.

49B
Who initiated p 41. I see it has EC number.
Dae Econ Sec consulted? There is no ref 41 B
even if a copy going to them.

TS/H

0930
APR 11 1945SO to CC.

1. Will you please show page 37 to the Chief Commissioner.
2. It would seem to me to be quite useless to attempt to persuade AFHQ to hand over to the Italian Government the operation of those schooners which are at present under the direction of the RASC. As you will see from para. 3 b, of AFHQ letter of 25 August 1944 (page 22 on this file) 125 schooners are for "the carriage of services traffic for the support of Allied naval, ground and air forces." I think the present moment peculiarly inappropriate for making any such proposal.
3. The handing over, however, of those schooners of 500 tons and under now operated by CO. GE. NA. referred to in para. 3 d. of the AFHQ letter on page 22 is a different matter and the Chief Commissioner may consider that in view of the current CO. GE. NA. situation this is an appropriate moment to make our representations to AFHQ. On this assumption I submit a draft letter to AFHQ, G-5, and also a draft DO letter to General MORGAN for his consideration.

10 April 1945.

To the Executive Commissioner.
C.S.O.*Draft amended.**Si 13/4 40*

*I have shown draft to Mr. Buttrick
who approved and commented
that he thought P.M. would
be very ready to advise Casena.*

*Si 13/4.**H3.*

*So to CC letter to S.S. and back to S.S. signed & dispatched
Notification to CC: September 7, 1945.*

*Si 14/4*45*Ex. Com*

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the carriage of services traffic for the support of Allied naval, ground and air forces." I think the present moment peculiarly inappropriate for making any such proposal.

3. The handing over, however, of these schooners of 500 tons and under now operated by CO. GE. NA. referred to in para. 3 d. of the AFHQ letter on page 22 is a different matter and the Chief Commissioner may consider that in view of the current CO. GE. NA. situation this is an appropriate moment to make our representations to AFHQ. On this assumption I submit a draft letter to AFHQ, G-5, and also a draft DO letter to General MORGAN for his consideration.

10 April 1945.

To the Executive Commissioner.
C.S.O.

Draft amended.

Si 13/4 40

*I have shown draft to Mr. Butwin
who approved and commented
that he thought P.M. would
be very ready to advise Casanova.*

Si 13/4.

43.

*So to see letter to S.S. and R. 51 signed &
reiteration to CC: September 17. 17. 17.*

CC 17/4

Si 14/4.

45

Ex. Com

To see 44.

22 Apr.

24/4 mod. 7

Si 24/4

C.O.S.

24

1. Attached is copy of AFHQ (MGS) letter of 24 Dec. 1943 setting up this Shipping Sub-Commission, obtained from this Sub-Commission's files.
2. Also attached for additional information is AFHQ letter of 25 August 1944 on the subject of MEDBO (Italian Schooners).

15 Feb. 45

J.C.R.
J.C.R.

CSO:

36.

- 1) Is not the time ripe now for some action on this Shipping S/C matter?
- 2) Econ Sec's views on the matter are contained in their draft, folios 30 and 34, - to see para 6 thereof.
- 3) At request of C.C., - see folio 32, the Chairman of Medbo submits his views by proposing on alternate draft (folios 33-34) in which he defines shipping activities (see para 2). He agrees in part with us (see para 8).
- 4) However, Medbo Chairman recommends continuance of Shipping S/C as is but constituted by MWT and WSA personnel.
- 5) I recommend that this be handled similarly to Political Section abolition. Since these personnel are not AC personnel they cannot constitute a S/C, but can be here as representatives of MWT and WSA and be invited to take an interest in all matters related to Italian Merchant Fleet.
- 6) Much or all depends upon COGENA situation.

15 Mar 45.

J.C.R.
Major

*I think this can be left alone
in the future being.*

51/6/3.

A/Ex. C.:

38.

- 1) Econ Sec recommends at 37 that all Italian vessels under 500 tons (gross) be returned to Italian Government control. See paragraphs marked in red.
- 2) This may bring about advantages mentioned in their last paragraph.

9 April 45.

J.C.R.
Major

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 COS: Also see p. 1 which refers to yours
 at p. 1

encl
 12/11

(11)
 P. 7 Contain's Econ Section's argument
 that Shipping S/C should be
 kept in being. E. 17/11

This should be at p. 12 - COS meeting

DR 17/11

(13)
 Discussed at COS meeting on 24 Nov. (see minutes).

8 was agreed to - wte. on 1.

Il 25/11

Major Rivy 15/18 put back for discussion at next COS meeting.
 Spoke Cleveland who says this is very complicated and he will
 submit a draft to us on it. Await draft. (Not discussed
 at today's COS meeting).

Il 20/11

1	Major Rivy	20.
Feb 13	C.O.S. Section	
On Jan 31 a meeting was held to discuss winding up of Shipping S/C. A new directive is awaited from A.F.H.Q.		
5/12/11		

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encl
10/11

(11) Contain's Econ Section's argument
that Shipping S/C should be
kept in being. E 17/11

This should be at least a COS meeting

DR 17/11

(13) Discussed at Col meeting on 24 Nov. (see minutes)

8" was agreed to - w/o. on 1. E 25/11 per

19.

Major Rivley 15-18 for back to discussion at next Col meeting.
Spoke Cleveland who says this is very complicated and he will
submit a draft to us on it. Await draft. (Not discussed
at today's Col meeting). E 20/11

1	Feb 13	Major Rivley	Friday	20.
		C.O.S		
		Section		
		On Jan 31 a meeting was held to discuss winding up of Shipping S/C. A new directive is awaited from P.F. H.Q. 51/12/13		

21.

C.S.O.: See above minute from Econ Sect. for latest info. re Shipping S/C. Does this preclude the necessity of a reply to folio 14 as asked for in our folio 15-18? 13/12

W. J. Allen in this
H.P. & A. de la Cour
14/12

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Economic Section.

Ref. Encl. 1 has a decision been reached. and if so, may we have draft letter to ATTO. requested in last para. Mercos?

C.O.S. (Encl. 401)

7.11.44

HMAS spec.

TO C.O.S.

3.

This matter is part of a much larger one, i.e., Remythian, Transportation Subsidy, which is not being actively considered. It is not possible to give you advice when a reply will be forthcoming but it will be sent as soon as possible. The whole question is on a high priority.

Trans. (Encl. 316)
8-11-44.

Remythian Subsidy
for RCO's
HMAS

C.S.O. Please see minute above - 1 & 2 refer
HMAS, J/C, 1/4

1. Transportation S.C. are preparing a reply to Prime Minister for the C.O. Major Quayle advised
12/11 128

C.S.O. pls see 127 in reply to p. 1.
The C.O.S. may wish to see

encl 12/11

9.

A/COS

At page 1 Remythian Subsidy the abolition of the Shipping S/C and asked Economic Section to comment.

At page 7 Mr. Remythian's file in his terms for not abolishing the Sub. Com. in 1944.

To C.O.S.

This matter is part of a much larger one, i.e. Bangladesh, transportation problem, which is not being actively considered. It is not possible to give you a date when a reply will be forthcoming but it will be sent as soon as possible. The whole question is on a high priority.

From Sec. (No. 316)
8-11-44

C.S.O. Please see minute above. 1 3 refer
ltt
H.M. Sec. J/C, 6
9/11

1. Transportation S.C. are preparing a reply to Prime Minister for the C.L. Major Quayle advised
cull 12/11 128

C.S.O. pls see 127 in reply to p. 1.
The COS may wish to see

cull 12/11

9.

A/COS

At page 1 Brigadier suggests the abolition of the Shipping S/C and asked Economic Section to comment.

At page 7 Mr. Kutsini's file has been for not abridging the Sub. Committee.

Stubbart
13/11

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5601 91 101
HEADQUARTERS ALLIED COMMISSION

Office of the Chief Commissioner

APO 794

Ref. RS/6.01

17 May 1946

Subject : Control of Ship Repair Facilities and Dockings in Italy.

MAY 17 1946

To : Commander in Chief, Mediterranean Station.

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1. Reference is made to my letter RS/6.01, dated 12 February 1946, subject as above, with which I attached a proposed agreement with the Italian Ministry of Marine for the control of ship repair facilities and dockings in Italy for your approval, according to your directive of 14 November 1945.

2. In order that this Headquarters may proceed with the formal completion of the agreement with the Italian Ministry of Marine, your approval of the proposed agreement would be appreciated.

Es/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USN
Chief Commissioner

copy to: 6. Com
6. Com

see 102

5101

✓
(CARTER)

101/5

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2 March 1946 09:30 hrs.

BY THE COURT

APR 29 1946

The COURT has reached its verdict. It will announce its verdict in two sections: the first will be a finding of the facts on which the verdict is based, the second will be the verdict itself.

This is the unanimous decision of the COURT. The COURT wishes this point to be clearly fixed in the mind of everyone: there will be no demonstrations either of approval or of disapproval regarding the verdict issued by this COURT. Whoever so acts will be dealt with promptly by this Court for contempt of COURT. The finding of the facts given by the COURT is as follows:

Paragraph A.- That on or about the end of August or the first part of September 1944 there was in existence at Naples a public institution known by the name of Schooner Control Board, which was charged with the administrative functions and among other things of granting permits to the Captains of Italian schooners in Mediterranean waters.

Paragraph B.- That the Schooner Control Board was organized and operated by and under Allied Authorities.

Paragraph C.- That an organization known as COGEMA carried out the executive details and the orders issued by said Schooner Control Board.

Paragraph D.- That the Schooner Control Board consisted of three members, two of whom were Allied officials.

Paragraph E.- That the third member of the Schooner Control Board was one Dr. Eugenio SANTELLA, who was also the Director of COGEMA and is one of the accused in this case.

Paragraph F.- That Dr. Eugenio SANTELLA is a blood relative of Attilio SANTELLA, one of the defendants in this case.

Paragraph G.- That at said time, that is at the end of August or the beginning of September 1944, Attilio SANTELLA and Santo LO PORTO entered into an agreement

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99-101

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with the intent of defraud, they unlawfully would pretend ^{that} ~~to~~ the Captains of the Motor Schooners, by ~~reason~~ of the public office held by Dr. Eugenio SARINELLA and the blood relationship existing between Attilio SARINELLA and Dr. Eugenio SARINELLA, ^{for} some of money for their own private gain; ~~that~~ they, Attilio SARINELLA and Santo IO PORTO, would be able to obtain from the Allied Authorities the necessary sailing permits for the vessels of said Captains.

Paragraph H.- That in pursuance of the agreement of conspiracy, the said Attilio SARINELLA and Santo IO PORTO met Captains Provenzano Giovanni, Strazzera Luca, civilian Captains of Italian Motor Schooners and ~~that~~ the said Attilio vaunted his blood relationship and his influence with Dr. Eugenio SARINELLA in his capacity as a Public Official and undertook by these means to procure Allied permits for the sailing of the schooners of these two captains, on the promise by the said Captains to pay him, that is, to the said Attilio SARINELLA, a sum of money as a price for his good offices with his brother, Dr. Eugenio SARINELLA, who occupied the position of a public official and/or employee performing a public office, dealing with the issue of such permits.

Paragraph I.- That requests for permits were filed by Captains Strazzera and Provenzano and were approved by the Schooner Control Board and the permits were duly issued.

Paragraph J.- That notwithstanding Attilio SARINELLA well knew that his pretence of aid in obtaining such permits through the credit vaunted with his brother, in his quality of public official and/or employee performing a public office, were false, by means thereof and with the intent to defraud he obtained fraudulently a sum of money from Captains Strazzera and Provenzano, out of which he kept the sum of 40,000 lire for his own private gain and gave the sum of 10,000 ~~and~~ or 15,000 lire to Santo IO PORTO for his own private gain and as a reward for his assistance in the fulfillment of their conspiracy.

Paragraph K.- That in so acting Attilio SARINELLA did not receive money on the pretext that he was to purchase the favour from his brother Dr. Eugenio SARINELLA of ⁵⁰³⁸ ~~as set forth in Art. 346 of the Italian Penal Code.~~

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Paragraph L.- That thereafter, in the month of September 1944 and nearer the middle of that month, acting in accordance with the agreement of conspiracy and/or in any event individually and without Attilio SARACENIA being physically present, Santo LO PORTO met Palumbo Francesco and Sieli Antonio, Italian civilians, Captains of Motor Schooners and vaunted his influence with Dr. Eugenio SARACENIA, in ~~his~~ capacity of a Public Official and/or employee and by reason thereof, he agreed to help them in the procuring of Allied permits for the sailing of the schooners of these two Captains on a promise of these two Captains to pay Santo LO PORTO a sum of money as a price of his good offices with Dr. Eugenio SARACENIA in his capacity of Public Official and/or employee; that the said requests were filed by Captain Palumbo and Sieli and were approved by Schooner Control Board and permits were issued; notwithstanding Santo LO PORTO well knew that his pretence of aid in obtaining those permits through his vaunted credit with Dr. Eugenio SARACENIA in his capacity of public official and/or employee performing a public office, ~~by means thereof~~ ^{was false,} and with the intent to defraud, ~~he did fraudulently obtain from Captains Palumbo and Sieli the sum of 100,000 lire, from which he kept a substantial part for his own private gain.~~

Paragraph M.- That thereafter, in the month of November 1944, Santo LO PORTO met Capt. Provenzano, civilian Captain of an Italian Motor Schooner and vaunted his influence with Dr. Eugenio SARACENIA, in the capacity of the Doctor as a public official and/or employee, and by reason thereof agreed to aid him in the procuring of an Allied permit for the sailing of the Motor Schooner of Capt. Provenzano, on the promise of said Captain to pay Santo LO PORTO a sum of money for his good offices with Dr. Eugenio SARACENIA, in his capacity of public official and/or employee. That the request was filed by Capt. Provenzano and was approved by the Schooner Control Board and the permit was duly issued; That notwithstanding Santo LO PORTO well knew that his pretence of aid in obtaining such permit through his vaunted credit with Dr. Eugenio SARACENIA, in his capacity of public official and/or employee performing a public office, ~~was false~~ ^{was false} thereof and with the intent to defraud, Santo LO PORTO fraudulently obtained from Capt. Provenzano a sum of money, approximately 50,000 lire, of which amount he

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kept a substantial part for his own private gain.

Paragraph H.- In receiving the amounts of money from Captains Palumbo, Sieli and Trovanzano, as described in the two preceding paragraphs, Santo IO PORTO made the pretext that he was to buy said paper from Dr. Eugenio SARINELLA and/or reward him therefor.

Paragraph O.- That the testimony given in this trial by Captains Trovanzano, Strazzera, Palumbo and Sieli is sustained by the oral and written admissions of the defendants Attilio SARINELLA and Santo IO PORTO.

Paragraph P.- That the testimony given by Santo IO PORTO that Attilio SARINELLA and Santo IO PORTO or either of them were participants or part of a conspiracy with Dr. Eugenio SARINELLA is not corroborated by direct or circumstantial evidence that in any important respect confirms not only that the offence was committed but that Dr. Eugenio SARINELLA did commit it.

Paragraph Q.- That without regard to the above, the testimony of Santo IO PORTO in that particular is so lacking in convincing evidence as to raise grave doubts as to its veracity.

Paragraph R.- That the testimony given by Santo IO PORTO that he gave Dr. Eugenio SARINELLA either directly or through Attilio SARINELLA amounts of money not due to him, but as bribe or reward for an act of his office in issuing permits to Captains Trovanzano, Palumbo, Strazzera and Sieli or to either of them, is not corroborated by direct or circumstantial evidence which under any material respect might confirm only that the offence or offences were committed or that Dr. Eugenio SARINELLA did commit them.

Paragraph S.- That without regard to the above, testimony of Santo IO PORTO in that particular is so lacking in convincing evidence as to raise grave doubts as to its veracity.

Paragraph T.- That the offence of criminal association with the purpose of committing crimes, as stated under Article 415 of the Italian Penal Code and interpreted by the Italian Court of Appeal, is not applicable to

the facts in this case.

Paragraph U.- That whereas the specifications under the charge of conspiracy affirm a corrupt agreement to commit an illegal act, the evidence shows that the corrupt agreement was to commit a lawful act in an unlawful manner; the COURT finds that no injustice has been done to the accused by the lack of specification to affirm the charge of conspiracy in this respect and directs the specifications *be* thus amended and corrected.

Paragraph V.- All the collateral facts not ~~mentioned~~ *enumerated* in this verdict, which are considered necessary to support the verdict in all particulars or in part, have been considered and found, supporting what has been stated above.

The defendants will approach the ~~bar~~ *bar* of the court.

Now we shall announce the finding of the law.

For the accused, Dr. Eugenio SARVELLA :

On charges 1, 2, 3, 4 and 5 and Paragraph a) of the charge under the Italian Law the COURT renders a verdict of NOT GUILTY.

For the accused, Attilio SARVELLA :

On charge 1, GUILTY ; on charge 2, GUILTY ; on paragraph b) of the charge under the Italian Law, GUILTY.

For the accused Carlo LO PORTO :

On charge 1, GUILTY ; on charges 2, 3, 4, and 5 NOT GUILTY. On paragraph b) of the charge under Italian Law, GUILTY.

As to all three defendants, under paragraph 3 of the charge under Italian Law, the COURT finds you NOT GUILTY and directs the charges be dismissed.

As to the defendant Dr. Eugenio SARVELLA he is herewith released from custody and it is ordered that the sum of money heretofore deposited by him as bail be immediately refunded to him.

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The COURT must now consider the question of punishment.
Has PROSECUTION any evidence of previous convictions?

BY PROSECUTION.

The PROSECUTION has thoroughly examined the past records of the accused and it has ascertained that they have never been charged with any offence, neither arrested nor imprisoned. They have been hard workers and their past is blameless and in view of their past record and also of their sufferings, PROSECUTION begs Your Honour to use every possible consideration in sentencing them, and that the sentence be the minimum possible. The second reason is that the situation of which we have been invested, that is, of investigating in the best possible manner, does no longer exist; therefore, there is no reason why a stern sentence be inflicted on the defendants Attilio BARNELLA and Santo LO BOMBO.

BY THE COURT.

Q. How long have the defendants been in jail?
A. About nine months.

Q. What are the exact dates?

A. Attilio BARNELLA has been detained since about 25 June 1945 and LO BOMBO Santo, I believe, since 29 May 1945. The sums involved are small, Your Honour, and I believe the accused learnt their lesson. We have performed our duty in putting a stop to that racket and, remembering that much undue harshness would be inflicted on the families of the accused, PROSECUTION would find no objection if their sentence were suspended.

Q. I do not think the COURT has the power to pass a suspended sentence on a crime under Italian Law.

A. I wonder whether the fact they have been tried under our procedure could not have an effect on the latter.

Q. Italian Law, as I understand it, fixes a sentence. The COURT has the power to pass any sentence it deems just. In view of the recommendation made by PROSECUTION I do not think it necessary for the JURY to add anything further.

Recess

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SENTENCE.

BY THE COURT.

Before passing sentence on the two accused the COURT wishes it to be noted in the records that the COURT has complimented the PROSECUTOR for the able manner in which they have presented their case and for the fairness which has prompted their recommendations to the COURT, an act on their part which represents the highest traditions of Anglo-American law where a Prosecutor is not a Prosecutor. The COURT also wishes to compliment especially Adam the stenographer and last but not least Adam the interpreter who I believe all of us will agree has done a very accurate job of work during the trial of this case. Now the COURT will pass sentence.

ATTILIO SANNELLA :

On Charge 1 the COURT sentences you to one(1) year's imprisonment and a fine of 3500 lire to be paid on or before 1 July 1946. In default of payment you will serve 3 additional months imprisonment.

On Charge 2, the COURT sentences you to one(1) year's imprisonment and a fine of 3500 lire to be paid on or before 1 July 1946. In default of payment of the fine you will serve 3 additional months imprisonment.

On paragraph b) of the charge under Italian Law the COURT sentences you to one(1) year's imprisonment and a fine of 3000 lire to be paid on or before 1 July 1946. In default of payment of this fine, you will serve 3 additional months imprisonment.

The sentences under Charge 1 and 2 and paragraph b) of Italian Law will be CONCURRENT and are hereby SUSPENDED as of this date. Fines are NOT SUSPENDED and if not paid the terms of imprisonment will be served CONCURRENTLY.

SANTO LO PORTO :

On charge 1 the COURT sentences you to one(1) year's imprisonment and a fine of 5000 lire to be paid on or before 1 July 1946. In default of payment you will serve 3 additional months imprisonment.

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On paragraph B of the charge under Italian Law the COURT sentences you to 2 (two) years' imprisonment and a fine of 5000 lire to be paid on or ~~before~~ ^{by} 1 July 1946. In default of payment you will serve 3 additional months imprisonment.

The sentences under charge 1 and paragraph B of Italian Law are CONCURRENT and are hereby SUSPENDED as of this date. The fines are NOT SUSPENDED, and if not paid the terms of imprisonment will be served CONSECUTIVELY.

BY PROSECUTION.

PROSECUTION wishes to thank the COURT for the able and just manner the COURT has handled this case and would like to add that the manner the COURT has dealt justice should be a good example for all those who have been present during the last three weeks of the high sense of justice shown by our Allied Courts in handling cases here in Italy.

The Court is adjourned.

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EX Com 90

APR 9 1946

INCOMING MESSAGE
Headquarters Allied Commission

Originator's Reference: M 4179
Date/Time of Origin: Apr 041015

Message Centre No: H/1756
Date Time Rec'd: Apr 081430
Precedence: ROUTINE

FROM: KALIOCH WSA

TO : D ELLERY STONE REAR ADMIRAL USNR CHIEF COMMISSIONER HEADQUARTERS ALLIED
COMMISSION ROME

UNCLASSIFIED.

WASHINGTON CABLED THEY IN AGREEMENT CONDITIONS OUTLINED YOUR MEMORANDUM
FEBRUARY 12TH ADDRESSED TO COMMANDER IN CHIEF MEDITERRANEAN STATION. THIS
REFERS TO AGREEMENT MADE BETWEEN ALLIED COMMISSION AND ITALIAN MINISTRY OF
MARINE ROLES ON CONTROL OF SHIP REPAIR FACILITIES AND DOCKING IN ITALY.

AC LIST

ACTION: ECON SEC 2
CHIEF COMMISSIONER

INFO: IND & UTIL S/C
MOVEMENTS DIV-TPIN S/C
PORTS & WAREHOUSES DIV S/C
NAVY S/C
EXEC COMMISSIONER
FILE 2
HIDAT

HEADQUARTERS
8 APR 1946
C. 5092

SK 9/4.
(Capt. R)

PR 2/4
EPR.

0127

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785017

5601 *ad**ex lamm*

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Ref. ES/6.01

12. February 1946

FEB 11 1946

SUBJECT: Control of Ship Repair Facilities and Dockings in Italy
 TO : Commander in Chief, Mediterranean Station

1. Reference your MMD 45/529/4/18 of 14 November 1945,
 and letter this Headquarters AC/20/89/Tn6 of 27 December 1945.

2. In accordance with your directive of 14 November
 1945, the attached agreement has been prepared by this Head-
 quarters and is submitted to you for your consideration and ap-
 proval.

3. The following comments on this agreement are made:

a. You will note that the agreement is restricted
 to the granting of first priority in the use of Italian ship
 repair facilities for voyage repairs to Allied Merchant Ships
 "trading in the Mediterranean and calling at Italian Ports".

(1) It is felt that such restriction to the
 question of priority as well as to ships engaged in Mediter-
 ranean trade thus divorced from matters of policy as to con-
 struction of ships (as set out in HSC/4152 of 30 November 1945)
 presents a clearly defined and more compatible agreement.

(2) Such restriction is, at the same time,
 felt to be within your directive of 14 November 1945.

b. You will note that by paragraph 3 of the agree-
 ment, the statement is made that the agreement is an amplifica-
 tion of the "interim policy", which by its own terms is made
 "without prejudice to any terms which may be imposed by the
 Peace Treaty with Italy." However, you will further note that
 the agreement provides for a year's duration and renewal by
 mutual consent of the parties thereto.

4. The proposed agreement has been discussed unofficial-
 ly with the Italian Ministry of Marine and has been tentatively
 agreed to by that Ministry.

(MAJ H)

See 1015001 PA
 12/12
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page 2.

5. Upon receipt of your approval of the attached agreement this Headquarters will proceed immediately with its formal completion.

M. S. LUSH

Brigadier

ELERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Incl. (1)

Copy of Agreement between
AC and Italian Ministry
of Marine.

Distribution:-

SACMED
FOEL
MSTR (Italian Area) Rome
W.S.A. Mediterranean
W.S.A. Rome

Internal Distribution:-

Navy S/C
Industry & Utilities S/C
Movements Division - Transportation S/C
Ports & Warehouses Div. - Transportation S/C

5000

87

Agreement Between the Italian Ministry of Marine, and the Allied Commission and Ministry of Marine, Rome (on behalf of the Italian Government) that:

1. It is hereby agreed between Headquarters Allied Commission and Ministry of Marine, Rome (on behalf of the Italian Government) that:

In the use of Italian ship repair, dry-docking and shipbuilding facilities, first priority will be accorded to voyage repairs required by Allied merchant vessels transiting the Mediterranean and calling at Italian ports, such repairs being essential to the operation of the vessels in the mission to which assigned. This includes casualties suffered en route which require repair in order that the vessel may proceed to the port or ports originally scheduled prior to departure from her home port or any changes in schedule since original departure.

It is further agreed that:

The following docks should only be used for short term docking of Italian ships, there being a time limit of 10 days on each vessel's stay in the docks:

Taranto	NO. 1-1000
Brindisi	NO. 1-1000
Venice	NO. 1-1000
Naples	NO. 1-1000
Palermo	NO. 1-1000
Genoa	NO. 1-1000
La Spezia	NO. 1-1000

2. When the Royal Navy withdraws their control from Leghorn, Trieste and Genoa, the provisions in sub-paragraph (a) will apply to the docks at Leghorn, NO. 1-1000, at Trieste, and a dock yet to be designated at Leghorn.

3. This agreement is made in accordance with and complies the Italian policy laid down by the Supreme Allied Commander, Mediterranean Theater, as outlined in Headquarters, Allied Commission letter NO. 1000 of 20 November 1945, and will remain in force for one year from 1st January, 1946, thereafter, it may be renewed by mutual consent of the parties signing or their successors for periods of six months at a time.

0130

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

HEADQUARTERS ALLIED COMMISSION
APC 394
ECONOMIC SECTION

Ref. WS/6.01

8 February 1946

SUBJECT: Priority for Shipping Repair Facilities.

TO : Executive Commissioner

1. The attached letter on the above subject is submitted for the signature of the Chief Commissioner.

2. This letter is in compliance with the directive given by the Commander in Chief, Mediterranean Station to Allied Commission, stating that AC make an arrangement with the Italian government "whereby some priority is given for docking Allied Merchant Ships in Italy". (See Med 45/829/4/18 of 14 November.)

3. The letter to the Prime Minister of 30 November 1945 (NSC/4152) set forth the Allied Commission's interim policy for the rehabilitation and utilization of Italian ship repair and shipbuilding facilities. Provision for first priority for use of ship repair facilities by Allied Merchant Ships was made therein.

4. The Economic Section, after consultation with WSA, MAT, Navy Sub-Commission and Legal Sub-Commission has prepared the attached agreement between the Allied Commission and the Italian Ministry of Marine. The following comments are made thereon:

a. You will note that the agreement is restricted to the granting of first priority in the use of Italian ship repair facilities for voyage repairs to Allied Merchant Ships "trading in the Mediterranean and calling at Italian Ports".

(1) It is felt that such restriction to the question of priority as well as to ships engaged in Mediterranean trade thus divorced from matters of policy as to construction of ships (as set out in NSC/4152 of 30 November 1945) presents a clearly defined and more compatible agreement.

(2) Such restriction is at the same time, within the directive made by C in C Med in his Med.45/829/4/18 of 14 November 1945.

(3) The agreement coincides to some extent with MAT's analysis (see CAP/165/45/R.6 of 19 December 1945) but as MAT's requirements for priority is felt to be too far reaching a restriction to Merchant Ships engaged in Italian trade is considered preferable.

0131

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

785017

- 2 -

5. You will note that by paragraph 3 of the agreement, the statement is made that the agreement is an amplification of the "interim policy", which by its own terms is made "without prejudice to any terms which may be imposed by the Peace Treaty with Italy." However, you will further note that the agreement provides for a year's duration and renewal by mutual consent of the parties thereto.

Charles W. Walton Col AC
for HARLAN CLEVELAND
Acting Vice President

Incl.(1)
Copy of Agreement between
AC and Italian Ministry
of Marine.

Issue 88/12/2

See 89

5087

AC/4196/L

1st November 1945

My dear General,

Thank you for your letter of the 27th October concerning the COGENA case.

I have looked into this case and find that it was originally set for trial on the 21st October 1945, but was thereafter adjourned to 3rd December 1945. This adjournment was necessary because the case required additional investigation which is presently going on. The evidence collected to date appears to indicate that many more persons are implicated than the original reports by Lt Col Heddon and Major Richardson showed. The present status of the case is such that it is not possible at this time to state with any degree of certainty that the case will in fact be tried on 3rd December.

I fully appreciate Captain Smith's position and there is no objection on the part of the prosecution to Captain Smith being released provided he is made available as a witness on the date of the trial.

The investigation of this case is now progressing satisfactorily and everything is being done to bring the case to a close.

Yours very truly,

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Major General M.W.B. MACLEOD, CBE, DSO,
Deputy Adjutant General,
GHQ. CWP.

(Miss SAMSON)

0133

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

785017

Slack

HEADQUARTERS ALLIED COMMISSION

Office of the Chief Commissioner

APO 394

Q2

NSC/3635

22 September 1945.

SUBJECT: COGENA Investigation.

SEP 24 1945

TO : Allied Force Headquarters.

N/K EL

1. The meeting referred to in AFHQ letter G-1(Br)/5217/A-3 of 9 September 1945 was held at Headquarters, Allied Commission on 19 September 1945, at which time it was determined that further investigation of the case is required.

2. Accordingly it is requested that the Allied Commission be furnished with data upon which a reply to the Italian Ministry of Marine letter B.10534 of 28 August 1945 may be based, as soon as practicable.

N/K EL

For Entry

ELERY W. STONE
Rear Admiral, USNR,
Chief Commissioner.

H.H.J. Butler
Cpt USN

ORIGINAL BY HAND
OR MESSENGER TO NAVY SC
FOR DISPATCH

24/9

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24/9

(AA)

0134

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

785017

~~CONFIDENTIAL~~

82
Exec Commr

JAG/B/15686
SEP 131440B

F/7656
sep 141930B
ROUTINE

DJAG KBR AFHQ

ALCOM FOR LEGAL SC INFO FREEDOM FOR G B A3

SEP 15 1945

INFO

CONFIDENTIAL

Request you notify first available date for Col BEHRENS to
see Major HAMILTON JAG(BR) Re COBNA.

Dlst

Action - Legal SC
Info - Chief Commissioner
Exec Commr 2
CA Sect
File

HEADQUARTERS
15 SEP 1945

~~CONFIDENTIAL~~

(CSO)

5084

0135

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

785017

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.36/ES

7 August 1945

AUG 9 1945

SUBJECT: Shipping Sub-Commission, A.C.

TO: Transportation S/C
(Attn: Lt. Col. Baker)

1. Reference letter of 31 July 1945 from Mr. Gibson Graham, Chairman, Mediterranean Shipping Board, (copy attached) and Executive Order #55 of 2 August 1945: Abolition of Shipping Sub-Commission and Reallocation of its Functions.

2. It is understood that the Executive Order above referred to affects in no way your compliance with the proviso set forth by Mr. Graham in his letter of 31 July 1945 that "no action is taken by the Transportation Sub-Commission on matters affecting the title to Italian Shipping as laid down by the C.C.C.S. or to the nature of its employment as ordered by the United Maritime Authority".

By Command of Rear Admiral Stone:

(Signed)
CHARLES W. WILTON
E. M. MCINERNEY
Brigadier General, Division
Acting Vice President

cc:
Mr. Gibson Graham, Navy House, Naples
Mr. Ian D. Campbell, 25 Corso d'Italia, Rome
Executive Commissioner
Navy S/C

PM
10/8. see 7681

5663

SL
(MISS D.L.)

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

C
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P
Y

Mediterranean Shipping Board,
AFHQ, cmf. (79)

31st July, 1945.

To: Headquarters Allied Commission, APO 394.
Rome.

(copy to: Assistant Chief of Staff G-5, AFHQ)

From: Chairman, Mediterranean Shipping Board,
AFHQ
CMF

Reference: 1.38/ES

I have seen these papers.

I agree on behalf of the War Shipping Administration and the Ministry of War Transport at AFHQ subject to the proviso that no action is taken by the Transportation Sub-Commission on matters affecting the title to Italian Shipping as laid down by the CCOS or to the nature of its employment as ordered by the United Maritime Authority.

(s) Gibson Graham

Chairman, Mediterranean Shipping Board

A CERTIFIED TRUE COPY

James M. Arensberg
JAMES M. ARENSBERG
2nd Lt., Infantry

SEP. 80
5062

0137

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

785017

RESTRICTED

78

HEADQUARTERS ALLIED COMMISSION
APO 394

2 August 1945.

EXECUTIVE ORDERS)

NUMBER 55)

Abolition of Shipping Sub-Commission and Reallocation of its
Functions I

I - ABOLITION OF SHIPPING SUB-COMMISSION AND REALLOCATION OF ITS
FUNCTIONS

Pursuant to the authority contained in letter, G-5 Section, Allied
Force Headquarters, dated 16 July 1945, reference C-9, the Shipping
Sub-Commission is hereby abolished.

The functions and activities of the Shipping Sub-Commission are
allocated to the Transportation Sub-Commission.

Ellery W. Stone

ELLERY W. STONE,
Rear Admiral, USNR,
Chief Commissioner.

DISTRIBUTION:

"A"

Including Gp III
Less Serial 80.

Ex. Com.

5081

RESTRICTED

0138

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

RESTRICTED

HEADQUARTERS ALLIED COMMISSION
APO 394

EXECUTIVE ORDERS)
NUMBER 55)

2 August 1945

Abolition of Shipping Sub-Commission and Reallocation of its
Functions I

I - ABOLITION OF SHIPPING SUB-COMMISSION AND REALLOCATION OF ITS
FUNCTIONS

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Force Headquarters, dated 16 July 1945, reference G-9, the Shipping
Sub-Commission is hereby abolished.

The functions and activities of the Shipping Sub-Commission are
allocated to the Transportation Sub-Commission.

John 75 ref. 5

ELLERY W. STONE,
Rear Admiral, USNR,
Chief Commissioner.

PDA

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HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

Ref: 5601/EC.

27 July 1945.

OFFICE MEMORANDUM)
NUMBER 20/1944) : Amendment No.1.

CHANNEL OF COMMUNICATIONS WITH MINISTRY OF MARINE

Office Memorandum No.20, dated 21 December 1944, is amended by the addition of new para 3 as follows:

" 3. Notwithstanding paragraph 2 above, there is no objection to Sections and Sub-Commissions of the Allied Commission contacting representatives of the Ministry of Marine on routine matters of which the Navy Sub-Commission has been made cognizant by the Allied Representatives concerned. In such cases the onus of keeping the Navy Sub-Commission informed of their dealings must remain with the Sections or Sub-Commissions concerned."

By Command of Rear Admiral STONE.

Nicholas Piombino
NICHOLAS PIOMBINO
CWO USA
Assistant Adjutant

DISTRIBUTION:

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7

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

785017

Ref: 5601/75/20

ABA/el

MEMORANDUM:

26 July 1945

TO : Establishment Section

1. Enclosed is a copy of a letter from the Economic Section, reference 1.38/ES, 24 July 45, to Executive Commissioner, with reference to the abolishing of the Shipping Subcommittee and its activities being assigned to the Transportation Subcommittee.

2. It is requested that an executive order be published effecting this transfer.

3. Your attention is directed to the fact that in Economic Section's letter the request is for an executive memorandum. However, this is undoubtedly an error, as the proper form is an executive order.

A. E. ARNOLDY.

Chief Staff Officer
To Executive Commissioner

1 Incl:
as above

Copy to: Economic Section

Spoke Econ Section

Under 55- has been issued

Please put copy in file

24 7/8. PA 24 7/8

See 77

B/V

Noted
Jan 13/7

50/8

24 7/8 PA 24 7/8

Tel: 550

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

EB/maa

Ref: 1.38/ES

24 July 45

SUBJECT: Shipping Sub-Commission, AC

JUL 25 1945

TO : Executive Commissioner

1. Reference 1.38/ES of 13 July 45.

2. Approval from G-5, AFHQ has been given to the proposal that the Shipping Sub-Commission be abolished and its functions be assigned to the Transportation Sub-Commission (C-9 of 16 July 45, copy attached).

3. It is recommended that the following executive memorandum be published effecting this transfer:

" Pursuant to authority in letter, G-5 Sec, AFHQ,
16 July 45, Ref: C-9; the Shipping Sub-Commission, AC, is
abolished.

The functions and activities of the Shipping
Commission are assigned to Transportation Sub-Commission."

4. With the promulgation of the above order it is important that consideration be given to amending AC office Memo No. 20, dated 21 December 44, as proposed in letter 3 July 45 (Ref: 1.04/ES) The amendment provides for direct contact by Sections and Sub-Commissions of AC with representatives of the Ministry of Marine on routine matter of which the Navy Sub-Commission has been cognizant.

Charles W. McIntire
for.

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

cc:
Transportation S/C
Shipping S/C
Navy S/C

See 785017

(Copy Attached)

0142

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

785017

Supply file # 1.38

C
P
Y

ALLIED FORCE HEADQUARTERS
C-5 SECTION
APO 512

Ref : C-9

SUBJECT : Shipping Sub-Commission AG

16 July 1945

TO : Headquarters, Allied Commission,
APO 394

Reference your 1.38/E3 dated 13 July 1945.

1. Approval is given to the proposal that the Shipping Sub-Commission be abolished and its functions assigned to the Transportation Sub-Commission.

2. MWT and WSA at this Headquarters have expressed their agreement in this matter.

(s) A. L. Hamblen

A. L. HAMBLER,
Brigadier General, G.S.C.,
Assistant Chief of Staff, C-5.

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

785017

5601

W
JW~~Th~~
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Ref. 1.38/ES

13 July 1945

SUBJECT: Shipping Sub-Commission, Allied Commission.

TO : G-5 Section,
A.P.H.Q.

1. It is recommended that:

- a. The Shipping Sub-Commission be abolished.
- b. The functions and activities of the Shipping Sub-Commission be assigned to the Transportation Sub-Commission.

2. The recommendation is made because the functions and activities of the Shipping Sub-Commission have for some time been carried on in the Transportation Sub-Commission and there appears to be no need for continuation of the Shipping Sub-Commission. No transfers of personnel or duties are involved.

3. Mr. Campbell of MEDCO and the Shipping Sub-Commission has been consulted and agrees to the above recommendation.

4. Your approval is requested.

75/ Elery W. Stone

ELERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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SEE F-14

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(PA)

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

Tel. 460

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

JMA/bd

Ref. 1.04/ES

3 July 1945

JUL 25 1945

SUBJECT : Office Memorandum Number 20.

TO : Executive Commissioner.

1. Reference your 5601/EC of 12 June 1945, in answer to the proposal set forth in our 1.38/ES of 13 June 1945, for the transfer of Shipping Sub-Commission to Transportation Sub-Commission and the revision of Office Memorandum No. 20.

2. It is suggested that an additional paragraph 3 be added to AC Office Memorandum No. 20 which would be as follows:

" 3. Notwithstanding paragraph 2 above, there is no objection to Sections and Sub-Commissions of the Allied Commission contacting representatives of the Ministry of Marine on routine matters of which the Navy Sub-Commission has been made cognizant by the Allied Representatives concerned. In such cases the onus of keeping the Navy Sub-Commission informed of their dealings must remain with the Sections or Sub-Commissions concerned."

3. Navy Sub-Commission has approved of the above proposed addition, and has set forth its views in the letter NSC/2671 of 16 June 1945. The original of this letter is passed to you for information.

4. In further reference to your letter of 12 June, attached hereto is a letter for the Chief Commissioner's signature, proposing that AFHQ approve the transfer of the functions and duties of the Shipping Sub-Commission to the Transportation Sub-Commission, AC, and order the inactivation of the Shipping Sub-Commission.

Charles W. Wallin
for

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

cc Transportation Sub-Commission
Mr. Ian Campbell
25 Corso d'Italia
Navy Sub-Commission

(PA)

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

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HEADQUARTERS, ALLIED COMMISSION
APO 394
Navy Sub-Commission

NSC/2800

1 July 1945.

JUL 4 1945

From: Navy Sub-Commission, Hq, AC.
To : The Chief Commissioner, Allied Commission.
Subject: Dr. Eugenio SARNELLA.

(65-68)

1. The attached correspondence relative to the arrest of Dr. Eugenio SARNELLA which has taken place between the Navy Sub-Commission and the Ministry of Marine is forwarded for your information.

(Sgd) G. L. WARREN

REAR ADMIRAL,
CHIEF, NAVY SUBCOMMISSION, AC.

Copy to:
Executive Commissioner, AC. ✓

(68)

Encl:

1. Ministry of Marine's Ltr. No. E/7834 of 27 June 1945.
2. Ministry of Marine's Ltr. No. E/7891 of 29 June 1945.
3. Navy Sub-Commission's Ltr. No. 2795 of 29 June 1945.

(67)

(65)

See M. #73.

SL mmt 5073 1/1

(Case Re-act)

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

From: Ministry of Marine (Cabinet)
To: N.S.C. - Rome
Date: 27 June '45
Ref.: B.7834

Subject: Doctor Eugenio SARNELLA.

On Monday morning, 25th inst., two British Officers visited Dr. E. SARNELLA'S office in Naples (he is the Director of COGENA) and, after conversing with him, they took him away and from that moment he has neither returned to his office nor been heard of since.

During the same afternoon said Officers searched Dr. SARNELLA'S office in Naples, and M.P.s. searched his private rooms in Naples and yesterday, 26th inst., his residence in Rome.

As he is an Executive Officer of an organization under this Ministry, which is carrying out duties of interest to the United Nations, and in regard to which this Ministry is responsible to Allied Authorities in accordance with definite accords in being, it is requested that you make known Dr. SARNELLA'S present whereabouts and what reasons existed for the action taken against him.

(Sgd.) THE MINISTER

DG.-)

ROUGH TRANSLATION

(COPY)

From: Ministry of Marine (Cabinet)
To : N.S.C. - Rome
Date: 29 June 1945.
Ref.: B.7891

Subject: CO.GE.NA-

1°)- With reference to my letter N° B.7839 of yesterday June 27th concerning the arrest of Dr. Sarnella, I bring to your knowledge that I am now informed that the Italiana newspapers in Naples have published in their yesterday's issue the following notice, both in Italian and English language:

"Comm. Eugenio Sarnella, the Director of CO.GE.NA. has been arrested by the Allied police on charges of bribery and corruption, in connection with the use of schooners and conveyance of goods by sea.

Any person desiring to lay information to the Allied Military Authorities respecting the administration of activities of CO.GE.NA. etc., should present themselves at the public Safety Office AMG provincia, Room 12, Mezzanine Floor between the hours of 9 - 12 or 14.30 - 17.30 daily, or may give information by letter to this address."

2°)- The case so far limited to the person of Dr. Sarnella but nevertheless particularly embarrassing becomes after the publication above referred extremely serious, and an official investigation is now being carried out by the Allied Military police on an Italiana Governmental body.

3°)- About the activities of this body which is now brought under public accusation, I have to recall that:

- a)- the release of the permits for transportation of goods by sea has been a commitment of the Allied Commission;
- b)- The allocation and movements of the motoschooners have been directed by the Schooner's Control Board (Medbo) members of which were two Allied officials and Dr. Sarnella.
- c)- Cogena, according with its institutional duties, was in charge of the execution of movements as ordered by A.C., and S.C.B.

4°)- I would ask you to call on these facts the attention of the Commander in Chief, Mediterranean, making known to him that on reporting to my Government, I intend proposing:

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

785017

(66)

- a)- the publication of an official communicate stating the matter as explained in para 3°);
 - b)- the appointment of a Governmental Board of Inquiry, with the object of investigating all and every responsibility wherever it may be. I intend to do so as I am very anxious to shed a complete light on such a deplorable matter.
- 5°)- I would be grateful if you would let me know as soon as possible your views on the subject.

IL MINISTRO.

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

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-commission APO 394

MSC/2795.
29th June, 1945.

From: Navy Sub-commission, Hq. Allied Commission.
To: Ministry of Marine.

Subject: Doctor Eugenio Sarnella.

With reference to your letter No. B 7891 of the 29th June, 1945, the circumstances of the arrest of Dr. Eugenio Sarnella are being closely watched by the Allied Naval Commander in Chief, Mediterranean Station, who has already issued instructions for the press statements to which you refer to be withdrawn. It is not considered, therefore, that a communique on the lines you suggest is desirable at this stage.

As regards the remarks in paragraph 4(b) of your letter under reply, your anxiety for a thorough investigation of the case is fully understood. The arrest was effected, however, and investigations are being conducted by Allied Military Authorities and no Governmental Board of Inquiry should, therefore, be appointed.

REAR ADMIRAL,
CHIEF, NAVY SUB-COMMISSION, AC.

5039

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

785017

64

Ref: 5601/EC.

Tel: 451

12 June 1945.

SUBJECT: Transfer of Shipping Sub-Commission
to Transportation Sub-Commission.

TO : Economic Section.

1. Reference your CMT/so dated - June 1945 addressed to the Chief Commissioner concerning the above subject.
2. The Chief Commissioner states that your recommendation will require the approval of AFHQ. It is therefore requested that you prepare a letter to AFHQ embodying your ideas on the subject for their approval for the Chief Commissioner's signature.

A. B. ARNOLDY.

Chief Staff Officer,
To Executive Commissioner.

*On visiting to him from Mr Campbell
to his view - before presentation & c.c.
@ 25/6/45*

SEE FILE 11

BU

17 June

Noted

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13/6

5601
63
HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

CWW/sc

June 1945

SUBJECT: Transfer of Shipping Sub-Commission to Transportation Sub-Commission 12 JUN 1945

TO : To the Chief Commissioner

1. It is recommended that an order be issued to accomplish:

- (a) The transfer of the functions and duties of the Shipping Sub-Commission to the Transportation Sub-Commission.
- (b) The inactivation of the Shipping Sub-Commission.

2. In order to execute its functions in an efficient and expeditious manner, it will be necessary for the Transportation Sub-Commission to have authority for direct contact with the Ministry of Marines on commercial matters. Such contact has been available to the Shipping Sub-Commission because of the Medbo affiliation of its membership. However, Office Memo No. 21 of 21 December, 1944, deprives the Transportation Sub-Commission of this important link with the Ministry. Therefore, it is recommended that Office Memo No. 21 be revised.

A. G. ANTOLINI
Acting Vice President

Agreed.

W. H. Thomas Col
D.D. Tr. S.C.

(Capt. Anthony)

see H/64
5087

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

785017

{ Folios 54 + 55 }

{ Letter Navy/c (NSC/2305 of 4 MAY 45)

Minutes 56 to 60

{ Folio 61

{ Letter Navy/c (NSC/2437 of 12 MAY 45)

Minute 62

All transferred to file 5609/EC

0153

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

785017

~~CONFIDENTIAL~~
ALLIED FORCE HEADQUARTERS

C.A.O. Office

Ex. Comm.

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CAC/209/1

9072

1 May 1945

SUBJECT: Italian Schooners

TO : Headquarters, Allied Commission, APO 394

Ref your letter 5601/41/EC of 17 April 45 and further to AFHQ letter C-13 of 20 April 45.

1. The implications of your proposal have been examined with care, and the conclusion reached is that control of all schooners by the shipping authorities must continue as heretofore. The considerations which led to this conclusion are as follows:

a. The form and extent of control now exercised is in conformity with the policy laid down by the Combined Shipping Adjustment Board in Washington and London.

b. In conforming with this policy the Italian Government is not being asked to do more than is demanded of, and accepted by, other countries. So long as a Government is dependent upon United Nations tonnage to meet its needs, control of all its shipping, under present policies, must continue.

c. World control of shipping will not cease with the end of the period of military responsibility. The United Maritime Authority is being set up to carry on this control, apparently without relaxation. Under the broad plans of this organisation, as made known to us by representatives of MWT, all nations, including those at present of neutral status, will be influenced to accept this control in return for the facilities made available to them by U. M. A. in respect of bunkering, ships stores and trans-oceanic hauls in pool vessels.

2. Had the foregoing general considerations not precluded relaxation of control it is significant to observe that the tonnage of schooners released from MEDBO would have been deducted from the lift made available for the civil programme. As this programme is confined to essential cargo little or no tonnage would have been gained.

B. Robertson

BRIAN H. ROBERTSON
Lieutenant General
Chief Administrative Officer.

See 5015152

~~CONFIDENTIAL~~

(Mrs TALBOT)

0154

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

785017

5601
INTER OFFICE MEMORANDUM

ECONOMIC SECTION

6.01/ES

28 April 1945

SUBJECT: Italian Schooners

TO : Executive Commissioner

APR 30 RECD 41

1. For your information, while you were away, based on a request from the Office of the Executive Commissioner, the Economic Section on 6 April 45 made certain recommendations to the Executive Commissioner with respect to schooners. You will doubtless find this in your file 5601/41/EC.

2. On April 17 the Chief Commissioner made certain recommendations to G-5, AFHQ, your Ref 5601/41/EC, 17 April, Subject: Italian Schooners. This recommendation was not in line particularly with the recommendation made to your office by the Economic Section on 6 April. It is not the purpose of this letter to in any way take issue with the decision of the Chief Commissioner in this matter. I am of the opinion, however, that you will receive from AFHQ a reply, at which time doubtless the matter will come up for further consideration.

3. In order that you may have all the background, I am attaching copy of letter which has been directed to the Economic Section by the Transportation S/C, Ref 831/7/Tn.3, 20 April 45. You will note that Transportation S/C takes issue with the Chief Commissioner's decision. It is not considered that any action should be taken on Transportation S/C's letter either by you or by my own office, as it is contrary to the Chief Commissioner's decision. I do think, however, it is well for you to have the background of their thoughts especially since it is our opinion that AFHQ, particularly MEDBO, will not agree with the Chief Commissioner's recommendation. I am submitting this for your information.

Antonio
ANTONINI
Acting Vice President
Economic Section 3004

Incl - Ltr Tn S/C Ref 831/7/Tn.3

(Mrs. Riven)

MAR 29 - 1945

COPY

HEADQUARTERS ALLIED COMMISSION FOR
APO 394
TRANSPORTATION SUB-COMMISSION

821/7/Tn 3

20 April 1945

SUBJECT: Italian Schooners

TO : Economic Section

1. Reference Chief Commissioner's letter 5601/41/EC dated 17 April 1945 to G-5 Section, AFHQ, copy to CAO and Economic Section, this Sub-Commission wishes to point out that the proposals contained in this letter do not agree with the recommendations made to the Executive Commissioner through the Economic Section by this Sub-Commission.

2. Under the present system there has been considerable improvement in the operation of schooners lifting cargo on Italian civil accounts; last autumn schooners lifted an average of 10,000 tons of civil cargo per month against disease and unrest program; it was well known that a far greater tonnage was lifted against black market programs. In March schooners lifted 25,000 tons against the disease and unrest programs, and it is estimated that in April schooners will lift about 30,000 tons against the disease and unrest program. This improvement has been brought about by improving the control which is exercised through the Schooner Control Board over schooner movement; though it is still a fact that a very large schooner tonnage is engaged on black market operations, this tonnage is diminishing in relation to total schooner tonnage available. It is felt that any "complete" hand back to the Italian authorities of schooner control will result in a decline in the amount of tonnage lifted by this type of craft against the disease and unrest program, and will result in an increase in black market activities.

3. There appears to be some confusion regarding the functions of the Schooner Control Board vis-a-vis COGENA. The Schooner Control Board is a body consisting of a representative of (a) MEDBO (Mediterranean Shipping Board), (b) Allied Commission, and (c) COGENA; itself, is a body set up by royal decree of the Italian authorities to operate those ships which are turned over to Italian operation by the Allied shipping authorities. COGENA itself works through the recognized Italian shipping lines, and its abolition would mean the replacing of it by a similar organization, if the Italian Government were to exercise any measure of control over ships handed back to them. The suggestion that COGENA be abolished is directly contrary to AC's letter, reference AC/502/101/Tn 3 dated 16 April 1945, subject: Proposed Schedule of Coastwise Liner Sailings, signed by Mr. Antolini, Acting Vice President, Economic Section, in which the proposal to set up coastwise liner sailings to be operated by COGENA was accepted in principle.

4. Finally, with reference to paragraph 3 of the Chief Commissioner's letter, schooner tonnage under the control of the RASC is being transferred to the Schooner Control Board as and when the operational situation permits.

5. The scheme given as the basis for discussion in the

785017

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4. Finally, with reference to paragraph 3 of the Chief Commissioner's letter, schooner tonnage under the control of the RASC is being transferred to the Schooner Control Board as and when the operational situation permits.

5. The scheme given as the basis for discussion in the letter from the Economic Section to the Executive Commissioner under reference 6.01/TB dated 6 April 1945 would appear to be sound in principle, but it may require revision in detail in the light of the figures quoted in paragraph 2 above.

6. May the position be clarified with the Chief Commissioner? It would appear that the two proposals put out by the Economic

SEE 49A

Section are both in accordance with EAW 437. (The two proposals are the one referred to in the preceding paragraph and the one referred to at the end of paragraph 3 above.)

/s/ M. B. Thomas

M. B. THOMAS, Colonel
Deputy Director

5002

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

0158

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

785017

5601

EX COMMISSIONER

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

8031

44

Ref. C-13

20 April 1945

PCB
251

SUBJECT: Italian Schooners

TO : Headquarters, Allied Commission, APO 394

APR 21 RECD

Ref your letter 5601/41/EC of 17 Apr 45.

The proposals contained in your letter raise many problems which are mainly the concern of the shipping authorities. MEDEO has therefore been asked to examine the implications of handing over these schooners, and you will be advised in due course.

Charles M. Stoddard

CHARLES M. STODDARD
Brigadier General, U.S.C.
Assistant Chief of Staff, G-5

EC DIST

Copy to Chief Comm (22 Apr)
Elon Sec

(- SPARE FILED)

BU 4/15
SI 28/4

Noted
PR

see 45

Noted
PR

(1745 Lmcl)

0159

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

785017

42

Ref: 5601/42/SC.

17 April 1945.

41

My dear General,

I enclose a copy of a letter that I have sent to G-5 Section, AFHQ, on the subject of Italian Schooners. I think that whatever is the outcome of the enquiry presently being conducted into the operations of GO. GR. RA nothing but good can come from getting the schooners under the absolute control of the Italian Government, and I shall be most grateful if you will do your best to further my recommendation.

I am certain that the Italian Government would look with favour on the abolition of GO. GR. RA.

Yours sincerely,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Lt. Gen. Sir Brian H. Robertson, Bt., KCMG, CB, CBE, DSO, MC,
Chief Administrative Officer,
AFHQ.

See M. 43.

Seen by Maj. Rieley.

24/4/45

Be. 115145

Noted

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PA

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

785017

Ref: 5601/41/03.

17 April 1945.

Subject: Italian Schooners.To : G-5 Section,
AFHQ.

1. I have been reviewing the problem of the operation of Italian schooners and consider that, subject to a satisfactory plan for their operation being received from the Italian Government, the time has now come to hand over to the Italian Government the complete control of these schooners at present operated by the Schooner Control Board comprised of a representative of G.C.B., a representative of the Mediterranean Shipping Board and a representative of the Allied Commission. This transfer of responsibility would be in line with the principle laid down in the directive contained in FM 487, namely, to develop in the Italian authorities a greater sense of responsibility. It would also follow logically, in respect of coast-to-coast movement of supplies by sea, the transfer to the Italian Government of the responsibility for the movement of supplies by road which has already been undertaken by the activation of M.S.C. If this recommendation is approved, I propose to advise the Italian Government of the desirability of abolishing G.C.B., subject to the submission of an acceptable plan for an entirely new organization to operate schooners.

2. I believe the adoption of this recommendation will promote competition and thereby tend to reduce freight rates and bring about faster voyages and fuller cargoes. With revised tariffs, and protection against requisition by Allied Forces, it may also tend to bring forward hidden tonnage, induce salvage operations and repairs and perhaps stimulate new construction.

3. I realize that under half of the total presently available tonnage of Italian schooners is operated by the Schooner Control Board and that the balance is under the direction of the M.S.C. and to a small extent of M.I.C. for harbour work. It is my recommendation that if AFHQ approve the transfer to the Italian Government of the tonnage operated by the Schooner Control Board, the tonnage operated by the Services should also be transferred when the operational situation allows.

/s/ Ellery W. Stone

ELDERY W. STONE
Rear Admiral, USN
Chief Commissioner.Copy to: Lt. Gen. Sir John H. Robertson Bt.
AFHQ.

See M.43. + J.42

B/W 24/4

See 451-118-5
M.W. 49A-49B

0161

785017

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

5618

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

LDD, es

6.01/ES

6 April 1945 1945

SUBJECT: CO. GE. NA.

APR

TO : The Executive Commissioner.

1. This letter is written to make recommendations with reference to the control and operation of Italian vessels.

2. It is recommended that all Italian vessels under 500 tons gross registered tonnage should be returned to the Italian Government. More than half of this tonnage is at present under the direction of the Royal Army Service Corps; the balance is under the direction of CO. GE. NA.

3. The owners of all such vessels belong to schooner owners' associations. Military and civilian supplies will be moved more economically and expeditiously if these vessels are operated by the owners organized in these associations. The Director General of the Mercantile Marine can control or supervise the movement of, and rates for, military and essential civilian supplies.

4. As a condition of the transfer of the vessels, the Italian Government should be asked to guarantee to transport in the vessels transferred to their control certain essential items. The guarantee should call for the transportation of one ton per month to be carried for each ton of the ships returned to the Italian Government, i.e., if the gross registered tonnage of the ships totalled 17,000 tons then the guarantee would call for the transportation of 17,000 tons dead weight of cargo. Beyond this guarantee, the Italian Government should be free to determine the commodities to be transported in the remaining available capacity.

5. It is believed that all Italian vessels over 500 tons gross registered tonnage should be left to the operation of CO. GE. NA. under the direction of MEDBO.

6. The operational cost of vessels under 500 tons gross registered tonnage is high because they are restricted to operation by day. The present charter rates paid by the Italian Government for all vessels are correspondingly high because they are based on the operational cost of the vessels under 500 tons gross registered tonnage.

7. Turning back the vessels under 500 tons gross registered tonnage to the Italian Government will eliminate the payment made by the Government for the charter of such vessels. CO. GE. NA. can then fix new uniform rates for the charter of vessels over 500 tons gross registered tonnage based on the operational cost of such vessels. 3038

8. A group consisting of representatives of the Transportation Sub-Commission and the Shipping Sub-Commission might act as an advisory body to deal with the Italian Government on matters relating to the vessels turned back to the Italian Government.

9. It is believed that the adoption of the above recommendations will promote competition, and thereby tend to reduce freight rates and reduce the cost of shipping cargo. It will

2. It is recommended that all Italian vessels under 500 tons gross registered tonnage should be returned to the Italian Government. More than half of this tonnage is at present under the direction of the Royal Army Service Corps; the balance is under the direction of CO.GE.NA.

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9. It is believed that the adoption of the above recommendations will promote competition, and thereby tend to reduce freight rates, and bring about faster voyages and fuller cargoes. It will also tend to bring out hidden tonnage, induce salvage operations and repairs, and stimulate new construction.

[Signature]
R. G. ANPOLINI
Acting Vice President
Economic Section

see M.38.39²⁰
11-1-57

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

785017

3601

COPY

LETTER COMM

Mediterranean Shipping Board,
A.F.H.Q., G.M.F.

26th February, 1945

MAR 1 - 1945

Dear Admiral Stone,

Many thanks for your letter of 23rd February.

This has been a most tiresome problem, and I thank you for your
forbearance.

I have studied the paper drawn up by the Economic Section and
have drawn up the attached draft which I hope will form a basis for the future.

Ian Campbell is presently in Rome, and I am sure will be only
too glad to discuss any points on which you may require further information.

Yours sincerely,

J. GIBSON GRAHAM.

Rear Admiral E.W. Stone, USNR,,
H.Q. Allied Commission.

see M.36.

EC DIST - 1 MAR 45

ACTION: ECON SEC (2)
INFO: CHIEF COMM
EXEC. COMM

No action pending Settlement
of GERMANY Situation

5097

DNV 13 1/3 4/8

(Hans R. ...)

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

785017

SHIPPING SUB-COMMISSION34 10

1. The status of the Shipping Sub-Commission being unclear is I submit due to the fundamental misunderstanding which appears to exist over the word "Shipping" and I feel that this should be clarified so far as possible.
2. Shipping and the use of the word covers a large field and to simplify what could become a most intricate subject it can for present purposes be divided into two parts:-
 - (a) The shipping of goods, i.e. the calling forward and receiving of these goods at the ports of loading and discharge.
 - (b) The operation, maintenance, management, and control of the ships themselves.
3. As regards (a) this could be conveniently a matter for the Transportation Sub-Commission, and should entail such matters as ensuring that the cargoes bid were available at the ports and the reception of the cargo and then removed from the quays at ports of discharge.
4. It is when the subject under (b) is examined however, that some confusion may arise if authorities become concerned in a matter over which executive control cannot be given to other authorities than the W.S.A. or the M.W.T. without submission to the Combined Shipping Adjustment Board.
5. An examination of the document drawn up by the Economic Section of the Allied Commission does nothing to clear up the situation. In fact, it commences with a controversial use of the word "Shipping" which I have mentioned.
6. Paragraph 5 is really the crux of the matter, and my submission is that on matters concerning the Italian Ships and Schooners themselves as stated in para 2 (b) it would be impossible for a Shipping Sub-Commission to take any executive action without consultation with the representatives of the C.S.A.B. or submission to MEDCO.

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

785017

- 2 -

(A) 33

7. It was realised however, that the Allied Commission must be properly advised on all Italian matters, and for that purpose representatives of M.W.T. and W.S.A. were, and are still, attached to the Allied Commission for this purpose. Over and above this MEDSO invited the Allied Commission to be represented on that Board for a similar reason.

8. I submit therefore, that :-

- (a) Concentration of all A.C. Functions on shipping as laid down in para. 2 a. in the Transportation S/C
- (b) The Shipping S/C to remain as at present, but to consist of Representatives of M.W.T.R. and W.S.A.R. domiciled in A/C and to deal with any day to day basis in relation to the Italian merchant fleet, its management and employment.

Instructions will be issued that these Representatives in Rome take an interest in all matters which might be related to the Italian Merchant Fleet, but it is also requested that they be included in all discussions both in reference to (a) and (b)

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

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See next

5601
HC:LDD:CS

FEB 23 1945

FEB 23 1945

6.00/RS

My dear Mr. Graham:

You requested that "the Economic Section of the Allied Commission should give a directive as to the functions which they would expect to be fulfilled by the Shipping Sub-Commission".

The Economic Section has reviewed this matter carefully, and has summarized its views in the attached memorandum. The recommendations appear in paragraph 6 of this memorandum.

Before basing any action on these recommendations, however, I should very much like to have your comments and suggestions on the status of the Shipping Sub-Commission, in the light of the attached memorandum.

Very truly yours,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Mr. J. Gibson Graham
Chairman, Mediterranean Shipping Board

Incl. Draft Memo, Subject: Shipping Sub-Commission
with Appendices "A" and "B"

Copy: Navy Sub-Commission
Distribution:

Transportation S/C
Shipping S/C
COS Files ✓
Econ Sec Files
Exec. Dirac., Econ Sec

5654

UNCLASSIFIED

SUBJECT: SHIPPING SUB-COMMISSION

1. The present status of the Shipping Sub-Commission is unclear. Certain shipping functions are being performed by the Transportation Sub-Commission -- e.g., the bidding for port acceptance and movement by schooners. On the other hand the members of the Shipping Sub-Commission are in fact acting as representatives of the Ministry of War Transport and the U.S. War Shipping Administration, rather than as members of the Allied Commission. 27

2. The question of the Shipping Sub-Commission's functions is pointed up by two memoranda received from the Chairman of the Mediterranean Shipping Board, Mr. J. Gibson Graham, who also acts as Director of the Shipping Sub-Commission. These letters are attached as Appendices "A" and "B". In the letter of 12 December 1944 (Appendix "A"), the S/C Director specifically requests that the Economic Section "should give a directive as to the functions which they would expect to be fulfilled by the Shipping Sub-Commission".

3. As Mr. Graham indicates in both of these attached letters, difficulty is caused by the fact that the Shipping Sub-Commission is composed of the MAT and USA representatives who also represent the Combined Shipping Adjustment Board in this area. He is concerned that the S/C directive requested in the letter of 12 Dec 44 might run counter to the MAT/USA functions as representing CSAB. 5053

4. The Shipping S/C was originally established by a letter from Military Government Section, AHC, dated 24 Dec 43, which is attached as Appendix "C". The terms of reference of the S/C were limited to "matters affecting the use of Italian merchant ships;" and even these terms were further limited by paragraphs requiring clearances with appropriate Naval authorities on "movement and control of ships in port or at sea" and on

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3. As Mr. Graham indicates in both of these attached letters, difficulty is caused by the fact that the Shipping Sub-Commission is composed of the MWT and NSA representatives who also represent the Combined Shipping Adjustment Board in this area. He is concerned that the S/C directive requested in the letter of 12 Dec 44 might run counter to the MWT/NSA functions as representing CSAB. 29

4. The Shipping S/C was originally established by a letter from Military Government Section, AHHQ, dated 24 Dec 43, which is attached as Appendix "C". The terms of reference of the S/C were limited to "matters affecting the use of Italian merchant ships;" and even these terms were further limited by paragraphs requiring clearances with appropriate Naval authorities on "movement and control of ships in port or at sea" and on 30

matters handled by the Italian Minister of Marine. The basic function of dealing with Italian merchant shipping problems does not appear to have been changed by more recent editions of these terms of reference, such as that attached to the letter of 12 Dec 44 (Appendix "A").

5. In point of fact, the Shipping S/C has never acted as an effective part of the AC machinery. Executive functions with respect to Italian merchant shipping have been performed in practice, on the Allied side, either by the Transportation S/C of AC or by the AMT/MAA representatives in their own right or as the Mediterranean Shipping Board.

6. It is believed that present responsibilities and jurisdiction of the groups involved would be very little affected by the following steps being taken:

- a. Concentration of all AC executive functions on shipping in the Transportation S/C
- b. Strengthening of the AMT/MAA representation in AMLB, in order to handle on a day-to-day basis the relationships on shipping problems between AC/Italian Government and AMT/MAA/AMPSO/CHAL. In this capacity it is recommended that the AMT/MAA representatives in AMLB take a more active interest in all AC problems which need to be dealt with through the shipping authorities of the United Nations.
- c. Abolition of the Shipping S/C as such.

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

copy

APPENDIX "A"

To the High Commissioner of the Allied Commission
(Copy to the Chief Administrative Officer, A.F.H.C.
Head of the Economic Section of the Allied Commission)

From the Shipping Sub Commission.

Many discussions have been and are still taking place on the subject of shipping and its relation to the Allied Commission.

It is felt that there may be misunderstandings on this subject in the minds of various sections of the Allied Commission and, in order that this point may be cleared up, it is requested that the Economic Section of the Allied Commission should give a directive as to the functions which they would expect to be fulfilled by the Shipping Sub Commission.

On receipt, these can be examined by the shipping authorities appointed by this A.F.H.C. to form the Shipping Sub Commission, Order that it may be established whether they fall within and are not contrary to their other duties as representing the Combined Shipping Adjustment Board.

(Signed)
Director, Shipping Sub Commission

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

785017

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APPENDIX "A" (Cont.)

MERCHANT SHIPPING SUB-COMMISSION

1. The Office of the Shipping Sub-Commission will be that of the Mediterranean Shipping Board (Italy), 2nd floor (ammessato), Via del Chiostro 9, Naples, telephone FLAMBO 179.

2. Responsibility of provision of staff will be the function of Ministry of War Transport and U.S. War Shipping Administration, who may call upon Allied Control Commission to provide suitable competent officers to act on behalf of the Sub-Commission in the various regions as designated by the Military Government Section.

3. Subject to the terms of references indicated above, the responsibilities of the Shipping Sub-Commission will be:-

- (a) Liaison with the Under-Secretary of the Italian Merchant Marine.
- (b) Liaison and co-operation with Mediterranean Shipping Board (Italy).
- (c) To co-ordinate in conjunction with the competent authorities and G-4 Movement and Transportation Section matters referring to the use of all Italian vessels in the movement of service or civilian cargoes.
- (d) To supervise and advise the working of the Italian ship operating committee formed by the Under-Secretary of the Italian Merchant Marine, known as Comitato Armatoriale Italiano.
- (e) To supervise and control all matters referring to Italian Shipping in accordance with policies and directives of the Allied Control Commission.

4. Matters affecting Italian Merchant Shipping which require the intervention of the Italian Minister of Marine will be dealt with through the Naval Sub-Commission and the Flag Officer, Taranto, Maritime and Liaison Italy.

COPY

APPENDIX "B"

MEDITERRANEAN SHIPPING BOARD

AFHQ, CMF

14th Dec 44.

To:- The Chief Commissioner, A.C.

From:- Shipping Sub-Commission.

FUNCTIONAL REPORT.

In answer to the request made on your behalf that a clear statement be made as to the responsibility which each Sub Commission bears today, and when they propose to pass this over to the Italians, some misunderstandings have arisen on the functions and duties of the Shipping Sub Commission.

This has always been a difficult problem, due principally to the fact that the Shipping Sub Commission is constituted as to members by the Senior Representatives of the War Shipping Administration and the Ministry of War Transport, representing in this area, the Combined Shipping Adjustment Board.

It is felt that on occasions the duties of these members in relation to the Allied Commission has, on occasions, run contrary to their duties over the wider sphere of representing the Combined Shipping Adjustment Board in the Mediterranean. I feel, and I say this on behalf of my colleagues and myself, that this Shipping Sub Commission would probably be better acting in an advisory capacity to the Allied Commission on all matters relating to shipping, and could, in fact, perform these duties better from that aspect than in an executive capacity. Certain other duties however, can well be done, although it is felt that these executive duties would be better formed within the Mediterranean Shipping Board in view of their responsibilities and inter-relation with other shipping matters within the Mediterranean.

Particular reference is made to the use of coasting tonnage for civil requirements in Italy, and the use of schooners for a similar purpose. These matters are dealt with by the MEDCO Schooner Control Board which is constituted to transmit to the Italian shipping authorities the wishes and desires of the Allied Commission. In view of the fact however, that the Italians themselves operate all vessels so far as management is concerned, such as crews wages, stores, etc., it is felt that all matters in connection with Italian shipping can, at this time, be handed over to the Italian authorities under the express understanding that they are obedient to the needs as expressed by the Mediterranean Shipping Board on behalf of the Supreme Allied Commander.

The only remaining point is the liaison on shipping matters between the Allied Commission and the Minister of Marine, and it is felt in view of the complexity of the situation in relation to world shipping, that these matters should in all cases be referred to the Representatives of the Combined Shipping Adjustment Board acting as the Shipping Sub Commission in order that they may be dealt with in a manner which does not conflict with the general shipping policy.

(Signed)
Chairman, Shipping Sub Commission.

Declassified E.O. 12356 Section 3.3/NND No. 785017~~SECRET~~ALLIED FORCE HEADQUARTERS
Military Government Section

JCH/HP/JW

26

SUBJECT: Composition and Functions of (Merchant)
Shipping Sub-Commission

24 Dec 48

TO : Major General Canyon A. Joyce, Acting Deputy President,
Allied Control Commission.

1. Copy of directive regarding the composition and functions of the Shipping Sub-Commission, as agreed at this Headquarters with C in C Mediterranean and MWT/NSA, is enclosed herewith for your guidance and for necessary action.

2. It will be noted that the Sub-Commission is to consist of the senior representatives of War Shipping Administration and Ministry of War Transport, namely, Mr. C. W. Kellock, Regional Director, NSA, North Africa and Mr. J. G. Graham, and necessary staff. The following have been designated as the staff personnel:

Ian D. Campbell (Naples)
Robert Nicol (Naples) (NSA Representative, Italy)

It is anticipated that these designees will prepare appropriate detailed instructions for your issuance, implementing the basic directive.

3. The position of Major Rickingbotham (and any other officers now acting in the Shipping Sub-Commission) and the definition of their duties will be as directed by you, on the advice of the senior representatives MWT/NSA, and Flag Officer, Taranto, Adriatic, and Liaison, Italy.

(Signed)

J. G. HOLMES

Brigadier General, G.S.C.
Chief, Military Government Section

Copy to:

HQ AFM

AFHQ Adv. Adm. Ech. (Att: Maj. Todd)

Cinc AFM

MST

NSA

Incl. as above.

~~SECRET~~

5048

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

785017

Copy

APPENDIX "C" (Con't).

SHIPPING SUB-COMMISSION

1. The Shipping Sub-Commission of Allied Control Commission is established as part of the Communications Section.
2. It will be composed of the Senior Representative of the War Shipping Administration and the Senior Representative of the Ministry of War Transport at Allied Force Headquarters and necessary staff.
3. It will deal with matters affecting the use of Italian merchant ships, exercising its functions through appropriate representatives in Italy, subject to the limitations in paragraph 4.
4. All matters relating to the movement and control of ships in port or at sea are subject to the orders of the Commander in Chief, Mediterranean.
5. During such time as matters affecting Italian Merchant Shipping are handled by the Italian Minister of Marine, all such matters will be dealt with through the Flag Officer, Taranto, Adriatic and Liaison, Italy direct, or via the Naval Sub-Commission.

END REPORT

5047

RESTRICTED

ALLIED FORCE HEADQUARTERS
APO 512

AG 563/051

8 October 1944

MEMORANDUM TO: All Concerned.
Subject : Italian Schooners.

Paragraph 3 a of AFHQ memorandum, file and subject as above, dated 25 August 1944, is rescinded and the following substituted therefor:-

"All schooners of 500 tons and upwards, with the exception of the schooner 'IMPERATORE' have been reallocated for operation and maintenance by the Royal Army Service Corps and will form an addition to the 125 schooners allocated under the terms of paragraph 3 b below."

By Command of General WILSON:

/s/ H. V. Roberts.

/t/ H. V. ROBERTS.
Colonel, AGD,
Adjutant General.

DISTRIBUTION:

1 - SGS
1 - CAO
1 - G-3
2 - G-4 (A)
2 - G-4(B)
10 - G-4 (Mov & Tn)
3 - Tn (A)
2 - G-5
6 - G(Maint)
6 - AG
12 - C-in-C MED
2 - Log Plans
6 - MEDBO
1 - Ord
1 - Pet
1 - CH
2 - S & T

2 - Tn (Br)
2 - USN
6 - PSTO (Med)
6 - MWT
6 - WSA
20 - HQ AAI
10 - HQ COMZONE, NATO
10 - HQ NAD
10 - HQ AGC
2 - AG Records
1 - AG M&D

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ALLIED FORCE HEADQUARTERS
APO 512

AG 563/051

25 August 1944.

MEMORANDUM TO: All Concerned.

SUBJECT: Italian Schooners.

1. Under the authority of the SUPREME ALLIED COMMANDER, the MEDITERRANEAN SHIPPING BOARD is responsible for the proper control and operation of the Italian Schooner Fleet.

2. This fleet includes all registered schooners of Italian nationality and the available tonnage totals approximately 60,000 tons.

NOTE: Unregistered schooners are not permitted to operate in the Mediterranean area and are at all times liable to arrest by the naval authorities.

3. The MEDITERRANEAN SHIPPING BOARD has submitted the following recommendations for the future control, allocation and operation of the Italian Schooner fleet.

(TAKE IN NEW SUB-PARA AT FOLIO 23)
a. All schooners of 500 tons and upwards shall be allocated for employment to the Principal Sec Transport Officer as an addition to the Mediterranean coasting fleet, at present under his control for allocation to service needs. Available schooners of this class total some 4,000 tons deadweight.

b. 125 schooners, totalling approximately 25,000 tons deadweight shall be allocated for operation and maintenance by the Royal Army Service Corps. They will be employed, under the direction of G-4 (Mov & Tn) AFHQ, in the carriage of services traffic for the support of Allied naval, ground and air forces.

c. The present fleet of small schooners operated by N.O.I.C's for harbor work shall continue in their present employment. This fleet totals some 4,000 tons deadweight.

d. The balance of the schooners totalling some 27,000 tons deadweight will be employed to fulfil, as far as possible, the economic and civil needs for coastal traffic within the area, and shall be operated by a schooner Control Board comprised of a representative of CO.GE.NA, a representative of MEDBO, and a representative of the Allied Control Commission.

4. These recommendations are confirmed and take effect immediately.

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AMHQ Memo. AG 563/051 dated 25 August 1944 (cont'd)

5. a. The tonnage allocations set out in paragraph 3 will be varied only on the recommendation of the MEDITERRANEAN SHIPPING BOARD.

b. Requests for the allocation of additional tonnage, permanently or for individual voyages will be submitted:

1. By the ROYAL NAVY and US NAVY to P.S.T.O.
2. By military branches and organisations to G-4(Mov & Tn).

c. P.S.T.O. and G-4 (Mov & Tn) respectively will be responsible for checking the necessity and priority of such demands and for submitting them to the Board.

d. Whenever any of the controlling authorities, detailed in paragraph 3, is unable to employ its allocation fully and economically, the authority concerned will:

1. When tonnage is temporarily surplus to its requirements, offer the surplus lift to the other authorities.
2. When tonnage becomes permanently surplus, return the surplus lift to the MEDITERRANEAN SHIPPING BOARD for reallocation.

By command of General WILSON:

/s/ R. H. CHRISTIE.

/t/ R. H. CHRISTIE,
Colonel, AGD,
Acting Adjutant General.

DISTRIBUTION:

1 - SGS	2 - Tn (Br)	2 - USN	6 - MEDBO
1 - CAO	6 - PSTO (Med)		1 - Ord
1 - G-3	6 - MWT		1 - Pet
2 - G-4(A)	6 - WSA		1 - CM
2 - G-4(B)	20 - HQ AAI		1 - S & T
10 - G-4 (Mov & Tn)	10 - HQ SOS NATOUSA		5014
3 - Tn (A)	10 - HQ NAD		
2 - G-5	10 - HQ ACC		
6 - C(Maint)	2 - AG Rec rds		
6 - AG	1 M & D		
12 - C-in-C MED			
2 - Log Plans			

COPY.

ALLIED FORCE HEADQUARTERS.
Military Government Section.

U.S. SECRET
Equals British Most Secret.
JCH/HP/jw

24th December, 1943.

Subject: Composition and Functions of (Merchant) Shipping
Sub-Commission.

To : Major General Keryon A. Joyce, Acting Deputy President,
Allied Control Commission.

1. Copy of directive regarding the composition and functions of the Shipping Sub-Commission, as agreed at this Headquarters with C in C Mediterranean and MWT/WSA, is enclosed herewith for your guidance and for necessary action.

2. It will be noted that the Sub-Commission is to consist of the senior representatives of War Shipping Administration and Ministry of War Transport, namely, Mr. C. W. Kellock, Regional Director WSA, North Africa and Mr. J. G. Graham, and necessary staff. The following have been designated as the staff personnel,

Ian D. Campbell (Naples)
Robert Nicol (Naples) (WSA Representative Italy)

It is anticipated that these designees will prepare appropriate detailed instructions for your issuance, implementing the basic directive.

3. The position of Major Pickingbotham (and any other offices now acting in the Shipping Sub-Commission) and the definition of their duties will be as directed by you, on the advice of the senior representatives MWT/WSA, and Flag Officer Taranto, Adriatic, and Liaison, Italy.

J. C. HOLMES,
Brigadier General, G.S.C.
Chief, Military Government Section.

Copy to:
H.Q. A.M.G.
AFHQ Adv. Adm. Ech. (Att. Major Todd).
C in C Med
M.W.T.
W.S.A.
Encl. as above.

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COPY.

U.S.A. SECRET
Equals BRITISH MOST SECRET.

SHIPPING SUB-COMMISSION.

1. The Shipping Sub-Commission of Allied Control Commission is established as part of the Communications Section.
2. It will be composed of the Senior Representative of the War Shipping Administration and the Senior Representative of the Ministry of War Transport at Allied Force Headquarters and necessary staff.
3. It will deal with matters affecting the use of Italian merchant ships, exercising its functions through appropriate representatives in Italy, subject to the limitations in paragraph 4.
4. All matters relating to the movement and control of ships in port or at sea are subject to the orders of the Commander in Chief, Mediterranean.
5. During such time as matters affecting Italian Merchant Shipping are handled by the Italian Minister of Marine, all such matters will be dealt with through the Flag Officer Taranto, Adriatic and Liaison Italy direct, or via the Naval Sub-Commission.

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

785017

18

Tel: 451.

19 December 1944.

Ref: 5601/5/COS

SUBJECT: Shipping.

TO : Economic Section.

16

Attached letter from Mediterranean Shipping Board, AFHQ, of 14 Dec 44, just received in this office, is referred to your office for consideration in connection with preparing your reply to our 5602/-/COS of 18 Dec 44.

15

JCR

Chief Staff Officer,
To the Chief of Staff.

Also see info in file 34/COS

Incl:
as above

[Handwritten mark]

BU
see Minute 19/27 Dec
Noted
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Noted
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Declassified E.O. 12356 Section 3.3/NND No.

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(17)

Office of the C.O.S.

I think this
should come up
through Economic
Section - C.O.S.

J.A. Quayle Jr

16 - xii - 44

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

785017

Mediterranean Shipping Board,
A.E.M.S. C.M.F.

14th December 1944.

To : The Chief Commissioner, A.C.

From : Shipping Sub-Commission.

FUNCTIONAL REPORT

In answer to the request made on your behalf that a clear statement be made as to the responsibility which each Sub-Commission bears today, and when they propose to pass this over to the Italians, some misunderstandings have arisen on the functions and titles of the Shipping Sub-Commission.

This has always been a difficult problem, due principally to the fact that the Shipping Sub-Commission is constituted as to members by the Senior Representatives of the War Shipping Administration and the Ministry of War Transport, representing in this area, the Combined Shipping Adjustment Board.

It is felt that on occasions the duties of these members in relation to the Allied Commission has, on occasions, run contrary to their duties over the wider sphere of representing the Combined Shipping Adjustment Board in the Mediterranean. I feel, and I say this on behalf of my colleague and myself, that this Shipping Sub-Commission would probably be better acting in an advisory capacity to the Allied Commission on all matters relating to shipping, and could, in fact, perform these duties better from that aspect than in an executive capacity. Certain other duties however, can well be done, although it is felt that these executive duties would be better formed within the Mediterranean Shipping Board in view of their responsibilities and inter-relation with other shipping matters within the Mediterranean.

Particular reference is made to the use of coasting tonnage for civil requirements in Italy, and the use of schooners for a similar purpose. These matters are dealt with by the MEDSO Schooner Control Board which is constituted to transmit to the Italian shipping authorities the wishes and desires of the Allied Commission. In view of the fact however, that the Italians themselves operate all vessels so far as management is concerned, such as crews wages, stores, etc. it is felt that all matters in connection with Italian shipping can, at this time, be handed over to the Italian Authorities under the express understanding that they are obedient to the needs as expressed by the Mediterranean Shipping Board on behalf of the Supreme Allied Commander.

The only remaining point is the liaison on shipping matters between the Allied Commission and the Ministry of Marine, and it is felt in view of the complexity of the situation in relation to world shipping, that these matters should in all cases be referred to the Representatives of the Combined Shipping Adjustment Board acting as the Shipping Sub-Commission in order that they may be dealt with in a manner which does not conflict with the general shipping policy.

J. GIBSON GRAHAM
Chairman, Shipping Sub-Commission.

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

785017

15

Tel. 451

18 December 1944

Ref. 5602/—/CS

SUBJECT: Shipping.

TO : Economic Section.

1. Your attention is directed to attached letter on shipping from the Ministry of War Transport dated 12 Dec 44.
2. Please give consideration to the points raised and incorporate your views in a directive defining functions to be fulfilled by this Shipping Sub Commission.
3. This directive should be prepared for Chief of Staff's signature and at earliest date possible.

JCF
A Chief Staff Officer,
To the Chief of Staff.

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Encl.

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

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MINISTRY OF WAR TRANSPORT
MEDITERRANEAN REPRESENTATIVE.
9 VIA DEL CHIOSTRO.
NAPLES.

12th December, 1944.

To the High Commissioner of the Allied Commission
(Copy to the Chief Administrative Officer, A.F.H.Q.
Head of the Economic Section of the Allied Commission)

From the Shipping Sub-Commission.

Many discussions have been and are still taking place on the subject of shipping and its relation to the Allied Commission.

It is felt that there may be misunderstandings on this subject in the minds of various sections of the Allied Commission and, in order that this point may be cleared up, it is requested that the Economic Section of the Allied Commission should give a directive as to the functions which they would expect to be fulfilled by the Shipping Sub-Commission.

On receipt, these can be examined by the shipping authorities appointed by this A.F.H.Q. to form the Shipping Sub-Commission, in order that it may be established whether they fall within and are not contrary to their other duties as representing the Combined Shipping Adjustment Board.

Director, Shipping Sub-Commission.

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

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HEADQUARTERS ALLIED COMMISSION

APO 394

ECONOMIC SECTION

LDD, es

Tel: 546

ES/6.03

9 November 1944

SUBJECT: Shipping Sub-Commission - Memo. Chief of Staff
5602/2/COS, 27 October 1944.

TO : Chief of Staff ✓

11 NOV Recd

cut

1. In reply to your forwarding letter 31 October 1944, asking for our comments.

2. The official members of the Shipping Sub-Commission are the representatives of MEDBO, of the Ministry of War Transport, Mr. Gibson Graham, of the War Shipping Administration, and Mr. Kalloch. Mr. Campbell, Mr. Nicol, and Mr. Bell are members of the Staff of MEDBO.

3. MEDBO, in addition to their other responsibilities, have the control of the operations of Italian schooners and coasters, also of Co-Ge-Na.

4. Mr. Bell's position at AC Headquarters is in reality as a member of the Staff of MEDBO, acting as a liaison officer of MEDBO with AC.

5. In view of the above, it is obvious that the Shipping Sub-Commission is not a Movements Section in the sense that the word "Movements" is used in the British military organization. MEDBO, and not the Shipping Sub-Commission, are the "Advisors" on shipping to SACMED and is now on a higher level than a Sub-Commission, and further, is not a part of the Allied Commission.

6. The Shipping Sub-Commission could be abolished; however it is not recommended for the following reasons:

a) It is desirable that Mr. Bell of the MEDBO Staff remain here as the MEDBO liaison officer. This could be done, of course, even though the Shipping Sub-Commission was abolished.

b) The Shipping Sub-Commission was originated at the AFHQ level and its retention by AC has the advantage of establishing a closer relationship between MEDBO and AC than would otherwise exist; in particular, AC has benefitted by having the Director of the Shipping Sub-Commission (Chairman of MEDBO) on the program at the Regional Commissioners Meetings.

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At the last meeting, Mr. Gibson Graham was present himself and we have secured better results through the greater interest he has subsequently taken in AC shipping needs.


A. G. ANTOLINI
Acting Deputy Chief of Staff
Economic Section

cc: Transportation S/C

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

785017

Chief of Staff.

Shipping Sub-Commission.

D.C.S.S. Economic Section.

27th October

Brigadier Ray Phillippe saw me today and in the course of conversation he expressed his entire agreement with the proposed organization of your Transportation Sub-Commission. We discussed the functions and future of the Shipping Sub-Commission.

I have always been concerned about the nexus of the Shipping Sub-Commission with the parent body. It has seemed to me that they are really an independent Movement Section dealing with Shipping throughout the Mediterranean theatre, advisors on Shipping to Command and are really on a higher level than a Sub-Commission of the Commission.

Their proper place is as the Shipping Section of C-5, AFHQ. If this were arranged they would cease to be a Sub-Commission but would transfer that Section

5602/2/cos

10/11/44
B/U

2 Nov

PA
29/11

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

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of their office which do with the Commission's work to the Shipping Sec.
of the Transportation Commission. If you agree with this, would you draft
a letter to AFR for submission to the Acting Chief Counsel.

MS Lash

Brigadier.
Chief of Staff.

