

Declassified E.O. 12356 Section 3.3/NND No. 785015

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Declassified E.O. 12356 Section 3.3/NND No. 785015

10000/110/156 INDUSTRIAL COORDINATION
COMMITTEE
NOV. 44

109/EST

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Declassified E.O. 12356 Section 3.3/NND No. 785015

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

HC:men

15 November 1944

/ES

SUBJECT: Industrial Coordination Committee
TO : Chief Commissioner

1. We have a draft agenda on the Industrial Coordination Committee, but it includes a number of reasonably far-reaching procedural suggestions and Brig. Curry has asked for a day or so to study it. A copy of our draft is attached for your information, in case you need it. It is not yet an agreed agenda with AFLRS.
2. In view of the mechanical difficulties of getting an agenda mimeographed and circulated, Brig. Curry says that it would be difficult to have a meeting of the Industrial Coordination Committee more than two or three days before the next meeting of the AFLRS (December 2). In these circumstances, it might be well to plan the first meeting of the Industrial Coordination Committee for December 1, so that the people who come into Rome from other cities will not have to make two trips within the space of three or four days.
3. Brig. Curry suggested that you might want to take up on a political level the question of participation by the Italian Government in the Industrial Coordination Committee (No. ICC 2, attached).

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

Enclosure:
Draft Agenda of ICC

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Enclosure:

Draft Agenda of ICC

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

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ICC
Meeting 1

very much

16 November 1944

ALLIED FORCE LOCAL RESOURCES (Italian) Board
INDUSTRIAL COORDINATION COMMITTEE

AGENDA

The first meeting of the Industrial Coordination Committee will be held on _____ in the conference room of the Allied Commission Building, room _____, to discuss the following subjects:-

1. Terms of reference of the Committee (ICC 1)
2. To consider a proposal for Italian Government membership on the Committee (see ICC 2 attached).
3. To consider proposals on industrial coordination in forward areas (see ICC 3 attached).
4. To consider the procedure for derequisitioning of industrial plants (see ICC 4 attached).
5. To consider a plan for military-AC participation in the output of essential production (see ICC 5 attached).
6. Other Business.
7. To set a date for the next meeting.

DISTRIBUTION:

Chairman
Chief Commissioner, AC

Members

CAO, HQ A.I.

Also President, Economic Section, AC

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CAC, HQ AAI
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C. in C. Med.

For Information
(other normal distribution)

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AFLRB
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TERMS OF REFERENCE AS AGREED AT AFLRB MEETING OF
11 NOVEMBER 1944

1. To study the military and essential civilian requirements in respect of factories, industrial plant and machinery, warehouses, storage space, all commercial and industrial facilities, and to recommend to the Board:-

- (a) An equitable allocation of the capacity of the above between the needs of the Allied Armed Forces and those essential to Italian Civilian economy.
- (b) The use, operation and re-allocation where necessary, and requisition of industrial factories, plant, storage space and warehouses, and to decide which of these, if any, should be loaned from requisition by the Allied Armed Forces or be derequisitioned as being essential to Italian Civilian economy.
- (c) The control of raw materials, partly finished or finished products which will ensure that the needs of the Allied Armed Forces are met and which will permit of the preservation and/or rehabilitation of essential Italian industry.
- (d) A procedure for ensuring that the maximum output if required is obtained from factories operating under military control or under contract to the Allied Armed Forces or under programmes sponsored by A.C. and recommended by this Committee.

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(b) The use, operation and re-allocation where necessary, and requisition of industrial factories, plant, storage space and warehouses, and to decide which of these, if any, should be immune from requisition by the Allied Armed Forces or be derequisitioned as being essential to Italian Civilian economy.

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(d) A procedure for ensuring that the maximum output if required is obtained from factories operating under military control or under contract to the Allied Armed Forces or under programmes sponsored by A.C. and recommended by this Committee.

(e) The importation of such materials as are necessary to permit of the continued operation and/or rehabilitation ⁶⁴¹³ of these plants essential to meet the needs of the Allied Armed Forces and/or needs of the Italian Civilian economy.

(f) The prohibition/transfer of plant and machinery from one factory or industry to another, and to authorize such movement as may be deemed necessary.

(g) Such other matters deriving from the functions of the Committee as may be necessary for the conduct of its business.

2. The Committee may appoint such Sub-Committee(s) as are deemed necessary to operate within the above terms of reference.

AVIERS
ICC 2

PARTICIPATION BY THE ITALIAN GOVERNMENT IN THE

INDUSTRIAL COORDINATION COMMITTEE

- 4
1. In considering the membership and terms of reference of the Industrial Coordination Committee, the question has arisen whether the Italian Ministry of Industry, Commerce and Labour should be represented on the Committee, and if so in what capacity.
 2. The Allied Commission believes that participation by the Ministry in the work of the Committee would be helpful to all parties concerned. AC is now attempting insofar as possible to have all operational functions in the field of industrial production performed by the Italians themselves. If the Italian Government is to assume an increasing measure of responsibility for the Italian economy, it is essential for its representatives to begin to participate in the discussions as to the use of that economy in furthering the war effort and in decreasing the extent to which Italy needs to call on the United Nations for essential civilian supplies. Moreover, it would help the Italian Government and people to understand the necessary limitations of supply and transport, and spur them to put forth their best efforts in the development of local resources, if they participate in the determinations on the allocation of the relatively meagre resources that are available.
 3. The Allied Commission therefore recommends that a representative of the Italian Government be admitted to membership on the Industrial Co-

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ATTN:
ICC 3

15 November 1944

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ALLIED FORCE LOCAL RESOURCES (Italian) BOARD
INDUSTRIAL COORDINATION COMMITTEE

INDUSTRIAL COORDINATION IN FORWARD AREAS

In order to ensure an efficient and orderly allocation of industrial plants and facilities in forward areas, the following procedure is proposed for adoption by the Industrial Coordination Committee:

1. All industrial plants and facilities and their stocks will be blocked in the first instance by ACC/ASG in areas uncovered by the Allied Armed Forces.

2. Stores, materials and machinery will not be taken out of any industrial unit capable of any type of production until the responsibility for the operation or other disposition of the plant has been fixed by the Industrial Coordination Committee of its designated agent.

3. An immediate joint survey will be made of all blocked facilities by representatives of the Armies and of ACC/ASG. The survey parties will make recommendations in writing to the Industrial Coordination Committee as to the use to which each blocked plant is to be put, and the authority which should be responsible for its operation. In case of disagreement on such recommendations among the parties involved, the issue will be presented to the Industrial Coordination Committee in writing.

4. Where there is no disagreement as to the disposition of an industrial plant or facility, it will immediately be unblocked by ACC/ASG.

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4. Where there is no disagreement as to the disposition of an industrial plant or facility, it will immediately be unblocked by ACC/AMG for the agreed purpose, and turned over to the agreed authority for operation. ⁶⁹ and a report of the action taken will be transmitted to the Industrial Coordination Committee for review and approval.
5. The Industrial Coordination Committee makes the final decision as to the use to be made of each plant, and can if necessary reverse or rescind action taken on the spot. The Committee simultaneously allocates to the appropriate authority or authorities the responsibility for operation of the plant, and makes a decision, where appropriate, as to whether military or civilian personnel will be used in the plant.

- 2 -

6. The Industrial Coordination Committee may at the same time make a tentative allocation, among the claimants on a percentage basis, of the end-products of the plant. Such overall allocations, where made, would become the basis for later action on specific quantities of end-products by the other Committees of the Allied Force Local Resources (Italian) Board.

7. The authority responsible for operating the plant will submit monthly reports to the Industrial Coordination Committee on its operation and output.

Recommendation:

It is recommended that the procedure described above be approved by the Industrial Coordination Committee, and be transmitted as a basis for action to all authorities concerned, through command channels.

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ALLIED FORCES LOCAL RESOURCES (Italian) BOARD
INDUSTRIAL COORDINATION COMMITTEE

AFLRB
ICC 4

15 November 1944

DEREQUISITIONING OF MANUFACTURING PREMISES

1. The following procedure is suggested as a standard procedure for handling applications by Italian firms for the derequisitioning of manufacturing premises:

a. Italian firms will be instructed through publicity that application for the derequisitioning of premises will not be received by representatives of the Allied Armed Forces, or by the Allied Commission, but that such application will have to be made through the Italian Ministry of Industry, Commerce and Labor.

b. On receipt of such an application, the Minister of Industry, Commerce and Labor will review the case and, if appropriate, make a recommendation thereon to the Allied Commission, through the Industry Sub-Commission.

c. The Allied Commission will review the recommendation of the Ministry in the light of:

- 1) State of the premises and plant and possibilities of repair or rehabilitation;
- 2) Essentiality for urgent civilian needs; and
- 3) Availability of necessary raw materials, electric power, coal, and transportation.

d. The case will then be presented to the Industrial Coordination Committee for action on its merits.

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- 3) Availability of necessary raw materials, electric power, coal, and transportation.

d. The case will then be presented to the Industrial Coordination Committee for action on its merits.

e. Where it is decided to derequisition, the authority, having jurisdiction will immediately take action to turn the plant over to the Allied Commission for handling of further arrangements with the Italian Government regarding use of the premises.

2. Recommendation.

It is recommended that the procedure in paragraph 1 be approved by the Industrial Coordination Committee, and be transmitted to the Italian Government by the Allied Commission.

APR 1948
ICC 5

15 November 1944

ALLIED FORCE LOCAL RESOURCES (Italian) BOARD
INDUSTRIAL COORDINATION COMMITTEE

JOINT AC/MILITARY PARTICIPATION IN THE OUTPUT OF ESSENTIAL
INDUSTRIES

1. Much time and energy of all parties concerned is consumed in the detailed allocation of the output of Italian industrial facilities. Moreover, in many cases the output of these facilities is not used to the full, for the benefit of all claimants, where the claims of the authorities responsible for operating plants do not happen to be as large as the capacity of the plants operated.
2. In the case of some industries, of which cement and steel are notable examples, it is believed to be most efficient to have the best qualified authority operate the rehabilitated plants at capacity, and split the total output among the claimants on a percentage basis. This procedure would have the advantage of making it possible for all claimants for the basic materials to know what quantities of such materials would be available for a month or more in advance, and to make plans for the allocation and use of those materials accordingly.
3. For example, the output from the production of all rehabilitated cement plants, whether resulting from AC or military efforts, should be divided between AC and military claims on the basis of a percentage to be fixed (and changed from time to time in the light of changing conditions) by the Industrial Coordination Committee.

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4. The Industrial Coordination Committee is the logical group to 6938 make the overall decisions as to the allocation of output on the basis contemplated in paragraph 2 and 3. Its percentage allocations could later be translated into specific tonnage allocations by the appropriate Committees of the Local Resources Board (e.g., the Engineering Materials Committee), on the basis of the statements of availabilities from the authorities responsible for plant operation.

Recommendations:

It is recommended that the Industrial Coordination consider and where

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appropriate adopt percentage allocations of the output of basic industries, along the lines of paragraphs 2 and 3 above.

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