

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

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10000/110/311 101/XOA

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

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10000/110/311 101/XOA - ECONOMIC SECTION INCREASE IN
ESTABLISHMENT
APR. 45 - MAY 45

0523

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

(old)

Col Parker

Ref: 4020/EC.

6 May 1945.

SUBJECT: Economic Section Increase in Establishment.

TO : Vice President, Economic Section.

3 days

The Chief Commissioner has decided to postpone submission of this statement. See his aide memoir to GAO of 5 May 1945.

M S LUCH

MSL/JG.

Brigadier,
Executive Commissioner.

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Copy to: Est Sec

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref. ES/p.05

5 May 1945

SUBJECT: Economic Section Increase in Establishment

TO : A.P.H.C., G-5 Section
(Through Establishment Section, AC)

1. Reference is made to the meeting held at AFHQ on 2nd May regarding the implementation of the plan for the rehabilitation of Italian industry and the reorganization of the Economic Section consequent thereon.
2. As was explained, Italian industry is not organized to accept the responsibility which is at the moment carried by the Allies in the matter of coordinating and running the industries which have been supplying the Allied Forces. The Italian civil service, on account of excretion and war, is so weakened that it can barely cope with its day-to-day duties. It is essential, therefore, that the Allied Commission Economic Section be temporarily increased so as to effect the transfer of essential war industries from the Allies to some Italian civil organization which must be created.
3. It is furthermore essential that industries on which Italian economic life depends are organized so as to produce, from indigenous resources and with a maximum economy in the import program, items which are in world shortage. The unrest which will arise from unemployment if the wheels of industry are not kept turning can only result in a wastage of Allied man-power to maintain order.
4. The attached appendices ask for an increase of 148 officers, 2 warrant officers and 22 EM/OF's. Of the additional officers requested, 42 are required to effect greater economy in the utilization of limited transportation, particularly railway wagons which are, at the moment, being short-loaded. These 42 officers are asked for in order that they may, by supervision and tuition of the railway and trucking services, obtain the full use of the tonnage allotted for civil use. Whether this allotment of officers is to be supplied should be weighed against the

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value of this better utilization of transportation. Currently, as better figures are being obtained, this wastage appears to amount to approximately 30%.

5. Fifty additional officers are required to augment activities included under the Production Division recently organized within the Economic Section (See Appendix "A"). This includes the personnel for the implementation of the planning for rehabilitation of Italian industry. Details of these requirements by Sub-Commissions are covered in Appendix "B".

6. Requirements for additional personnel for Economic Section over-head and for the recently organized Supply Division of the Economic Section are explained in detail in Appendix "C".

7. This request for an additional allotment of personnel for the Economic Section, Allied Commission, may be considered to be of a temporary nature and it is proposed that the subject be reviewed at the end of each month for a period of from four to six months. Any civilian personnel provided to fill any of the positions carried herein will result in a corresponding decrease in demand upon the Military. It is thought that as conditions stabilize in the North and the current peak activity in civil affairs passes, the need for the requested personnel allotments may cease. However, the pressure of immediate duties and the need for reorganizational efficiency are such that postponement of personnel augmentation is not possible pending future curtailment of other AC/AMC activities.

8. Twenty cars, two-seater, are required on the British side for the additional personnel.

9. This matter is, as you know, one of great urgency and your early decision is requested.

For the Acting Vice-President:

H. B. McKINLEY
Brigadier General
Deputy Vice-President

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25 April 45

Cancels Chart of 19 April 45

ORGANIZATION CHART
ECONOMIC SECTION



CHIEF STAFF OFFICER



DEPUTY VICE PRESIDENT
Brig Gen. E. B. McKinley

DEPUTY BRANCH

SUPPLY DIVISION
Brig Gen. E. B. McKinley

PROD. BRANCH

PROGRAM GROUP



FINANCE S/C

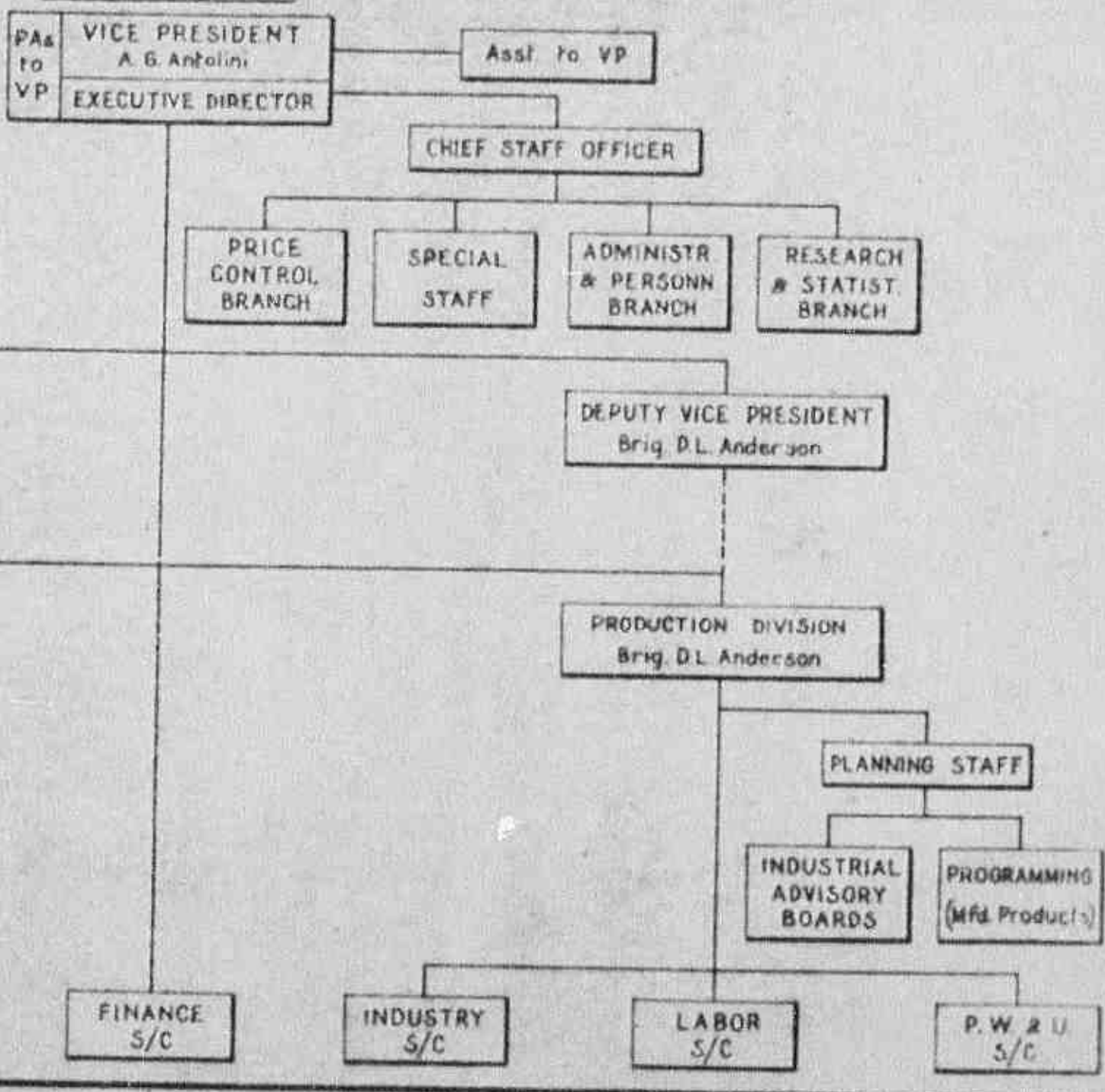
INDUSTRY S/C

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**ORGANIZATION CHART
ECONOMIC SECTION**

APPENDIX "A"



APPENDIX "B"REQUIREMENTS OF THE PRODUCTION DIVISION1. INDUSTRY SUB-COMMISSION

This Sub-Commission is divided into eight sections plus a small staff. It disposes at the moment of but 15 officers at Headquarters and 54 with the Regions. The numbers are totally inadequate to cope with the load which the Sub-Commission now has to carry on account of the liberation of Northern Italy. It is proposed, therefore, that the following additions be made to it:

Directorate Staff

Derequisitioning of plants and Factories	--	1 officer
Preparation of Industrial Requirements for the Import Program	--	1 officer
Textile Section	--	4 officers
Food Processing Section	--	4 officers
Mining Section	--	2 officers
Construction Materials, Refractory Materials (including Glass and Ceramics)	--	1 officer
Heavy Engineering (including Steel Production)	--	3 officers
Light Engineering (including Electrical Equipment)	--	4 officers
Chemical Industries (including Fertilizers)	--	4 officers
Regional Offices	--	18 officers
Total		42 officers 8 EM/OR's

The latter addition is very important because it is on the rapid survey and early receipt of information from these Regional Officers that the whole of central planning depends.

2. PUBLIC WORKS & UTILITIES SUB-COMMISSION

At the moment, this Sub-Commission disposes of 70 officers but it is not possible to maintain out of this number sufficient officers for the adequate maintenance of the roads required for civilian use and for the

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

Derequisitioning of plants and factories	--	1 officer
Preparation of Industrial Requirements	--	1 officer
for the Import Program	--	4 officers
Textile Section	--	4 officers
Food Processing Section	--	3 officers
Mining Section	--	
Construction Materials, Refractory	--	1 officer
Materials (including Glass and	--	
Ceramics)	--	2 officers
Heavy Engineering (including Steel	--	
Production)	--	4 officers
Light Engineering (including Electri-	--	
cal Equipment)	--	4 officers
Chemical Industries (including	--	13 officers
Fertilizers)	--	
Regional Offices	--	
Total		42 officers
		8 PM/OR's

The latter addition is very important because it is on the rapid survey and early receipt of information from these Regional Officers that the whole of central planning depends.

2. PUBLIC WORKS & UTILITIES SUB-COMMISSION

At the moment, this Sub-Commission disposes of 70 officers but it is not possible to maintain out of number sufficient officers for the adequate maintenance of the roads required for civilian use and for the provision of electric power required by industry, railways, and the general public. At the same time, when a survey of Northern Italy has been completed, it should be possible to effect a reduction. In the meantime, however, over a period of perhaps two months, an addition of at least five officers is required of which three will be employed on a survey of the electric power potential and two on public works in general.

3. LABOR SUB-COMMISSION

The Labor Sub-Commission has, at the moment, only 28 officers to deal with a very large problem which is being greatly complicated by the changing political picture. Labor troubles which will undoubtedly arise in the next month or two may well be very serious and the addition of three officers is requested for this Sub-Commission.

APPENDIX WCMREQUIREMENTS OF ECONOMIC SECTION STAFF AND SUPPLY DIVISION1. ECONOMIC SECTION OVER-HEAD

In order to give effect to the recent reorganization of the Economic Section with a view to facilitating the flow of correspondence and improving administrative procedure, there will be required to be added 3 officers and three EM/OR's. The duties of the officers will be:

- 1 - Executive Director
- 1 - Chief of Staff
- 2 - Staff Officers of the Special Staff Branch
- 1 - Assistant Chief (for Personnel), Administrative and Personnel Branch
- 1 - Chief for Clerical and Files in the Administrative and Personnel Branch
- 2 - Research Assistants in the Research and Statistics Branch.

The three EM/OR's are required in the Mail and Record activity of the Administrative and Personnel Branch.

2. SUPPLY DIVISION OVER-HEADA. PROGRAM GROUP

The recently organized Supply Division creates a Program Group with two new branches which are to perform functions hitherto not required to be given the attention now demanded by the changing situation. There are required one Personnel Assistant to the Division Chief and one Deputy Chief, Supply Division, who will function also as Chief of the Program Group. Also there is required an Executive for the Supply Division.

B. Administration

For administration of the Supply Division, there will be required one officer as Chief, one Warrant Officer as Chief Clerk and three EM/OR's.

C. Planning Branch

The Planning Branch, which is proposed to bring greater coordination between the programs of the several

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- 1 - Assistant Chief (for Personnel Branch and Personnel Branch)
- 1 - Chief for Clerical and Files in the Administrative and Personnel Branch
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The three EM/OR's are required in the Mail and Record activity of the Administrative and Personnel Branch.

2. SUPPLY DIVISION OVER-HEAD

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The recently organized Supply Division creates a Program Group with two new branches which are to perform functions hitherto not required to be given the attention now demanded by the changing situation. There are required one Personnel Assistant to the Division Chief and one Deputy Chief, Supply Division, who will function also as Chief of the Program Group. Also there is required an Executive for the Supply Division.

B. Administration

For administration of the Supply Division, there will be required one officer as Chief, one Warrant Officer as Chief Clerk and three EM/OR's.

C. Planning Branch

The Planning Branch, which is proposed to bring greater coordination between the programs of the several Sub-Commissions and the current plans received from higher headquarters (See attached Appendix "B"), will be composed of a Chief, a Project Analysis Group, a Control Group and a Reports Group.

The Project Analysis Group will require six officers and two EM/OR's.

The Control Group will consist of three officers. This group is intended to make continuous studies of the organization and its administrative methods with a view to making appropriate changes to meet the ever-changing situation. Only through such a group can better administrative methods be developed and better use be made of personnel. An attempt to secure assistance in this regard from Army Service Forces Central Division in Washington has been unsuccessful.

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Appendix WC

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The Reports Group of the Planning Branch will require three officers for the purpose of expediting, coordinating and rendering reports required in connection with economic activities.

D. Requisition Branch

The Requisition Branch which previously has never been properly staffed to meet its full responsibilities is particularly important at this time in view of the recent submission of the Program of Essential Italian Imports. The acquisition of the North of Italy makes necessary the revision of this Program. It is imperative that sufficient staff be available to know the exact status of all requisitions at all times with a view to cancelling the importation of those items contained in the Program which in the light of accurate information now available from the North are found to be not required. This activity will require 12 officers, one Tarrant Officer and five EM/OR's.

3. AGRICULTURE SUB-COMMISSION

The Agriculture Sub-Commission requires three officers-- an Administrative Officer, a Livestock Specialist for Allied Commission and one additional officer for the field.

4. FOOD SUB-COMMISSION

This Sub-Commission requires one additional officer for the field and four additional officers for an advance branch of this Sub-Commission in the North. Personnel for this advance office will be recruited from the experienced personnel in the Sub-Commission. However, the Food Sub-Commission in Rome has only a strength of twelve officers and therefore the four officers sent forward will have to be replaced.

5. COMMERCE SUB-COMMISSION

This Sub-Commission requires in addition of ten officers and three EM/OR's. Of these, six officers are required for the field. The four officers for the Rome office consist of the Assistant Chief of Mission, the Chief of Mission, the Chief of the Economic Section and the Chief of the Commercial Section.

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subversion of the program of essential Italian imports. The acquisition of the North of Italy makes necessary the revision of this program. It is imperative that sufficient staff be available to know the exact status of all requisitions at all times with a view to cancelling the importation of those items contained in the program which in the light of accurate information now available from the North are found to be not required. This activity will require 18 officers, one warrant officer and five PM/ORs.

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5. COMMERCE SUB-COMMISSION

This Sub-Commission requires an addition of ten officers and three PM/ORs. Of these, six officers are required for the field. The four officers for the Rome Office consist of one additional required for strengthening the Clothing and Paper Sub-Division and three for augmentation of the Foreign Trade Division staff, particularly on the import side. Increasing activity in these departments necessitates this increase. The three PM/ORs requested is to adjust the establishment to provide for three men already on hand.

6. TRANSPORTATION SUB-COMMISSION

The only augmentation required by the Transportation Sub-Commission is the 40 officers for field duty in connection with the better utilization of transportation service as explained in para 4 of basic letter.

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APPENDIX WDE

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ALLIED FORCE HEADQUARTERS
G-5 Section
APO 518

Ref. A-11

23 April 1945

SUBJECT: Planning Section

TO : Headquarters, Allied Commission, APO 394
(Attn: Economic Section)

1. There seems to be a lack of coordination of the requirements and interrelations of the Economic Sub-Commissions. This often results in overlapping demands for transportation, equipment and supplies.

2. In order that due consideration may be given to the logistic problems confronting the Economic Sub-Commissions, it is suggested that the possibilities of establishing a Log Plans Section, patterned upon its military counterpart, should be investigated and, if proved feasible, adopted.

3. Your comments and suggestions are awaited.

For the Assistant Chief of Staff, G-5:

/s/ J. E. Butterworth

J. E. BUTTERWORTH
Colonel, G.S.C.
Chief, Economics & Supply Division

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APPENDIX "A"

TABULATION BY NATIONALITIES, GRADES
AND RATINGS OF ADDITIONAL PERSONNEL
REQUIRED FOR ECONOMIC SECTION
ALLIED COMMISSION

	Colonel	Lt. Colonel	Major	Captain	Total Officers	Warrant Officers	MM/OR
Economic Section O/H	1	1	2	4	8	1	3
Supply Division O/H	5	5	12	8	30	2	9
Agriculture S/C	-	2	1	-	3	-	1
Food S/C	-	1	2	-	3	-	1
Commerce S/C	-	3	1	2	6	-	3
Transportation S/C	-	1	22	20	43	-	1
Industry S/C	-	7	19	15	42	-	1
Labor S/C	-	1	1	1	3	-	1
Public Works & Utilities S/C	-	-	-	-	-	-	-
Total	7	22	62	57	148	2	23
British	1	3	36	34	74	1	11
U.S.	6	19	26	23	74	1	12

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Grades of MM/OR

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	Colonel	Lt. Colonel	Major	Captain	Total Off	Warrent Off	EM/OR
Economic Section O/H	1	1	2	4	8	1	3
Supply Division O/H	5	5	12	8	30	2	1
Agriculture S/C	1	2	1	2	6	1	1
Food S/C	1	1	2	2	6	1	1
Commerce S/C	1	3	1	6	11	1	3
Transportation S/C	1	3	22	20	46	1	1
Industry S/C	1	7	19	15	42	1	1
Labor S/C	1	1	1	1	4	1	1
Public Works & Utilities S/C	1	2	2	1	6	1	1
Total	7	22	62	57	148	2	23
British	1	3	36	34	74	1	11
U.S.	6	19	26	23	74	1	12

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Grades of EM/OR

Staff Sgt.
Sgt.
Cpl.
Pfc.

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