

Declassified E.O. 12356 Section 3.3/NND No. 785020

Acc

10000/124/55

ORD
POLI
DEC

10000/124/55

ORDNANCE & AMMUNITION -
POLICIES

DEC. 44 - APR. 45

S+S-6

INTER OFFICE MEMORANDUM

ECONOMIC SECTION

AGA/D/es

12.03/ES

17 April 1945

SUBJECT: Policy on Italian Munitions Production.

TO : Brigadier D. L. Anderson

1. Reference attached ES/12.03 file, Tab. #1, which is a copy of AG388.3/097 GPG-0, AFHQ, 11 Feb, above subject. This paper sets forth an internal policy and para. 4 states responsibility of Allied Commission.

2. Attention is called to para. 4 e, which provides that the A.C. will make a survey of Italian war-like stores in arsenals, factories, depots, dumps and in the hands of the Italian Armed Forces.

3. Note ES/12.03 letter of 10 April at Tab. #2, which is to the effect that Industry S/C should take the initiative in this matter.

4. Note at Tab. #3 letter Ref 5012/37/EC, 16 Apr, from Executive Commissioner. Will you please take charge of this matter and see that obligations of the Economic Section are carried out.

(Sgd) A. G. Antolini

A. G. ANTOLINI
Acting Vice President
Economic Section

Incl - per para 1.

7789

cc: Navy S/C ✓
Air Force S/C
Land Forces S/C
War Materials Disposal S/C
Executive Commissioner

Tel. 451

Ref. 5012/37/EC.

16 April 1945

SUBJECT: Policy on Italian Munitions Production.

TO : A/Vice President, Economic Section.

1. The Executive Commissioner concurs in the view taken by your Section in your memorandum E-12.03 dated 10 April, above subject; - that it should be the coordinating branch for the survey to be made of Italian warlike stores.

2. The procedure as suggested by you, namely, that the Industry Sub Commission initiate and take charge of such a survey is favorably considered. The Economic Section shall be the coordinating branch, while the War Materials Disposal Sub Commission and the three Service Sub Commissions will furnish information and advice in so far as their respective services are concerned.

3. It will be noted that G-5, AFHQ had referred these current instructions to the Combined Chiefs of Staff for confirmation of policy or subsequent revision. See Mat airgram 23 of 12 March 1945.

Joseph C. Riech
Chief Staff Officer,
To Executive Commissioner.

7788

Copy to: Navy S/C (reference your MSC/2064 of 9 Apr) ✓
Air Force S/C
Land Forces S/C (see your TE/O/100 of 20 Mar)
War Materials Disposal S/C.

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

Ref. 5012/34/80

14 April 1945

SUBJECT: Policy on Italian Munitions Production.

TO : G-5, AFHQ.

Pending a reply from the Combined Chiefs of Staff to your Mat Airgram 23 of 12 March on the above subject, this Headquarters will continue to carry out instructions as issued in your interim directive, namely, AG 388.3/087 GEC-0 of 11 Feb. 45.

For the Chief Commissioner:

Joseph C. Rively
for Colonel *major*
W/Executive Commissioner.

Copy to: Economic Section (2)
Land Forces S/C
Air Force S/C
Navy S/C. ✓

7787

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

Tel. 451

Ref. 5012/31/EC.

13 April 1945

SUBJECT: Policy on Italian Munitions Production.

TO : Navy Sub Commission.

1. Reference your letter NSC/2064 of 9 April.
2. A study on this matter is being made and you will be notified of the decision as soon as possible.

Joseph C. Rively
A Chief Staff Officer, *major*
To Executive Commissioner.

Copy to: Economic Section
Land Forces S/C
Air Force S/C
War Materials Disposal S/C.

7786

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

SECRET

S-E-C-R-E-T:

NSC/2064
9 April 1945.

From: Navy Sub-Commission, Hq. Allied Commission.
To : Executive Commissioner, Hq. AC.
Subject: Policy on Italian Munitions Production.

1. It would be appreciated if a reply could be given to Navy Sub-Commission letter NSC/1716 of 28 February 1945, which requested information in regard to the Allied Commission policy concerning the conduct of a survey of all Italian war-like stores.

H. ST. J. BUTLER
Captain, U. S. Navy.
REAR ADMIRAL
CHIEF, NAVY SUB-COMMISSION, AC.

COPY TO:
ECONOMIC SECTION
LAND FORCES SC. AC.
AIR FORCES SC.AC.
INDUSTRY SC.AC
WAR MATERIALS DISPOSAL SC.AC.



9 APR 1945

7785

WWW

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

SECRET

S-E-C-R-E-T:

NSC/1776
28 February 1945

From: Navy Sub-Commission, Hq. Allied Commission.
To : Executive Commissioner, AC.
Subject: Policy on Italian Munitions Production.
Reference: (a) AFHQ Sect. 1tr AG 388.2/087 GEC-O dated 11 February 45, same subject.
(b) Land Forces Sub-Com (ASIA) 1tr TS/AG/100 dated 16 February 45, same subject.
(c) Chief Commissioner, AC 1tr 12.03/ES of 26 December 1944, same subject.

1. Reference (a), which was forwarded to this office by reference (b), contains the Allied Force Headquarters interim policy on Italian munitions production and states that the "Allied Commission will...make a survey of Italian war-like stores in arsenals, factories, depots, dumps, and in the hands of the Italian armed forces". Such action is in accordance with paragraph 5 of the Chief Commissioner's letter of 26 December, reference (c), which contained a proposed Allied Commission interim policy in regard to Italian munitions production.

2. Paragraph 10 of the Allied Commission's statement of policy on Italian munitions plants, dated 29 November 1944, indicates that the Army Sub-Commission assisted by the Industry Sub-Commission, is to make a survey of Italian war-like stores and to arrange for their security.

3. Information is requested as to whether it is contemplated that one agency of the Allied Commission will conduct a survey of all Italian war-like stores in accordance with paragraph 4e of reference (a) or whether it is desired that individual sub-commissions conduct parts of the survey as appropriate. If the latter course of action is preferred, it is considered that steps should be taken by the Executive Commissioner to ensure maximum coordination of action in conducting the survey and maximum use of the information that is obtained.

7784

Copy to:
Economic Section, AC.
Land Forces SC.AC.
Air Forces SC.AC.
Industry SC.AC.
War Materials Disposal SC.AC.

H. W. KIROLI,
Commander, U. S. Navy,
For Chief, Navy Sub-Commission, AC.

WV

SECRET

ALLIED FORCE HEADQUARTERS
APO 512

JC:sl

AP 898
: : : : :
: S E C R E T :
: Auth: SAC :
: Initials: :
: 11 February 1945 :
: : : : :
: 11 February 1945

181
G 388.3/087 GEG-0

SUBJECT: Policy on Italian Munitions Production

TO : President, Allied Commission
FOR: Land Forces Sub-Commission (LFA)

1. Pending receipt of a policy directive from Combined Chiefs of Staff, the following interim policy will govern the disposition of Italian industrial and munitions plants formerly employed wholly or in part to sustain the war effort. This policy is applicable to all such plants, tools, equipment, facilities and production, whether State owned or privately owned.

2. No weapons or ammunition will be produced during the period of the European and/or Japanese Wars, except as directed by the United States and British armed forces.

3. The Italian Government and the Allied Commission will establish the procedure for transferring plants and equipment between private firms to achieve national reconstruction.

4. The Allied Commission will:

a. Encourage the maximum utilization of all plants, tools and equipment primarily to further the Allied war effort and thereafter the rehabilitation of the Italian economy.

b. Impound all tools and equipment which can produce only prohibited war-like stores, pending decision of possible use in the Allied military effort.

c. Refer and obtain the concurrence of the relevant service (US/UK) prior to any transfer as provided in paragraph 3, above.

d. Insure that nothing is done to impair the output of Italian industrial and munitions plants now or hereafter engaged in production for:

- (1) The Allied armed forces, and
- (2) The Italian Navy without the prior consent of the Commander-in-Chief, Mediterranean.

e. Make a survey of Italian war-like stores in arsenals, factories, depots, dumps, and in the hands of the Italian armed forces.

BY COMMAND OF FIELD MARSHAL ALEXANDER:

DISTRIBUTION:
See Reverse

- 1 -

Jack Carter
JACK CARTER
Captain, AGD
Assistant General
SECRET

SECRET
~~SECRET~~ ~~BRITISH MOST SECRET~~

AG 388.3/087 GEG-O, dtd 11 Feb 1945

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U.S. SECRET

Eq. 1 British MOST SECRET

Subject: Policy on Italian Munitions Production.

S E C R E T

Land Forces Sub Comm. A.C.
(M. M. I. A.)
R O M E
TS/AQ/100

16 Feb 45.

Chief of Staff, Allied Commission,
Navy Sub-Commission, A.C.,
Air Forces Sub-Commission, A.C.

1. Enclosed is copy No. 181 of AFHQ Secret letter ref AG 388.3/087 GEG-O dated 11 Feb 45, for your information and retention.
2. Please acknowledge receipt.

D.S.L. Gregson

D.S.L. GREGSON, Major,
for Major General,
M. M. I. A.

DSLg/wk

782

W N W

SECRET

Subject: Policy on Italian Munitions Production

Land Forces Sub Comm. A.C.
(M. M. I. A.)
R O M E
TS/Q/100

20 Mar 45.

Executive Commissioner Allied Commission
Navy Sub-Commission, A. C. ✓
Air Forces Sub-Commission, A. C.

1. Enclosed is copy of MAT Airgram 23 dated 12 March 45, for your information and retention.
2. Please acknowledge receipt.

SPA/wc

Receipt Acknowledged
18/4
H. W. W.

R. B. Cunningham
1. Major General,
M. M. I. A.

7781

SECRET

ALLIED FORCE HEADQUARTERS

MAT aingram 22, 12 March 1945.

From : FHCEG (Concurred: FHRNA, FHGDS, FHGDO, FHQAE)
To : AGWAR (CCAC)
Subject : Policy on Italian Munitions Production

1. For some time the need has been felt for a policy governing the treatment of the Italian munitions plants, both state and private concerns.

2. It is considered undesirable that the existing plants, many of which are still capable of munitions production on a large scale, should be allowed to retain their present character. Moreover, the extent of destruction of other manufacturing plants makes it imperative that plants designed for the production of munitions be converted or cannibalized to the greatest possible extent for the production of other military requirements and civilian necessities.

3. It is considered essential that plants which have been constructed for, or operated as, munitions production units, should be placed at the disposal in the first instance of those branches of the Allied military forces to which they are opposite numbers. In this way an Italian aircraft engine factory would be made available firstly to the Allied Air Forces and if these Air Forces had no wish to make use of the whole or part of such an offer, the facilities should then be offered to the other Allied fighting services before being passed to Italian civilian industry.

4. Set out below is an interim directive to the Allied Commission from AFHQ. This was issued as a policy guide to cover such questions as might arise in presently liberated Italy. The problem will, of course, be greatly intensified on entry into the industrial North and the directions of the Combined Chiefs of Staff are now sought as to confirmation of the present interim policy or its revision.

5. There follows a copy of AFHQ letter AG 388.5/087 GEC-O of 11 February 1945:

"TO : President, Allied Commission
For: Land Forces Sub-Commission (MMA)

1. Pending receipt of a policy directive from Combined Chiefs of Staff, the following interim policy will govern the disposition of Italian industrial and munitions plants formerly employed wholly or in part to sustain the war effort. This policy is applicable to all such plants, tools, equipment, facilities and production, whether State owned or privately owned.

2. No weapons or ammunition will be produced during the period of the European and/or Japanese Wars, except as directed by the United States and British armed forces.

1. For some time the need has been felt for a policy governing the treatment of the Italian munitions plants, both state and private concerns.

2. It is considered undesirable that the existing plants, many of which are still capable of munitions production on a large scale, should be allowed to retain their present character. Moreover, the extent of destruction of other manufacturing plants makes it imperative that plants designed for the production of munitions be converted or cannibalized to the greatest possible extent for the production of other military requirements and civilian necessities.

3. It is considered essential that plants which have been constructed for, or operated as, munitions production units, should be placed at the disposal in the first instance of those branches of the Allied military forces to which they are opposite numbers. In this way an Italian aircraft engine factory would be made available firstly to the Allied Air Forces and if these Air Forces had no wish to make use of the whole or part of such an offer, the facilities should then be offered to the other Allied fighting services before being passed to Italian civilian industry.

4. Set out below is an interim directive to the Allied Commission from ATHQ. This was issued as a policy guide to cover such questions as might arise in presently liberated Italy. The problem will, of course, be greatly intensified on entry into the industrial North and the directions of the Combined Chiefs of Staff are now sought as to confirmation of the present interim policy or its revision.

5. There follows a copy of ATHQ letter AG 388.5/007 CEG-O of 11 February 1945:

"TO : President, Allied Commission
For: Land Forces Sub-Commission (AMIA)

1. Pending receipt of a policy directive from Combined Chiefs of Staff, the following interim policy will govern the disposition of Italian industrial and munitions plants formerly employed wholly or in part to sustain the war effort. This policy is applicable to all such plants, tools, equipment, facilities and production, whether State owned or privately owned.

2. No weapons or ammunition will be produced during the period of the European and/or Japanese Wars, except as directed by the United States and British armed forces.

3. The Italian Government and the Allied Commission will establish the procedure for transferring plants and equipment between private firms to achieve national reconstruction.

4. The Allied Commission will:

a. Encourage the maximum utilization of all plants, tools and equipment primarily to further the Allied war effort and thereafter the rehabilitation of the Italian economy.

SECRET

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b. Impound all tools and equipment which can produce only prohibited war-like stores, pending decision of possible use in the Allied military effort.

c. Refer and obtain the concurrence of the relevant service (US/UK) prior to any transfer as provided in paragraph 3, above.

d. Insure that nothing is done to impair the output of Italian industrial and munitions plants now or hereafter engaged in production for:

- (1) The Allied armed forces, and
- (2) The Italian Navy without the prior consent of the Commander-in-Chief, Mediterranean.

e. Make a survey of Italian war-like stores in arsenals, factories, depots, dumps, and in the hands of the Italian armed forces."

Norman P. Scheraga
NORMAN P. SCHERAGA
Major, G.S.C.
Executive Officer

Copies to: British Chiefs of Staff
Allied Commission

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IS/12.03

SECRET

GDM/eng

10 April

5

Executive Commissioner, Hq. SAC

1. Re attached letter from Navy Sub-Commission, Hq. Allied Commission, to Executive Commissioner, subject, policy on Italian Munition Production.

2. Attention is also invited to attached memorandum on this subject, which indicates the procedure deemed desirable for prosecuting the matter in question.

cc to:-

Navy S/C

A. G. ANTOLINI
Acting Vice-President
Economic Section

7779

Enclosure:

Memo 10 April

643-6172

SECRET

Office of the Commander-in-Chief,
Mediterranean Station,
Allied Force Headquarters
21st March, 1945

Med. 45/00130/42

THE FLAG OFFICER NORTHERN AREA MEDITERRANEAN
THE FLAG OFFICER TARANTO ADRIATIC AND LIAISON ITALY
THE FLAG OFFICER TARANTO ADRIATIC AND LIAISON ITALY (ROME)
(Copy to each)

POLICY ON ITALIAN MILITARY PRODUCTION

The attached copy of a directive AC 388.3/037 GEC-O of
11th February, 1945 from Allied Force Headquarters to the
President of the Allied Commission, is forwarded for information.

J.R. James

for ADMIRAL

Enclosure

FRGEC Allied Force Headquarters
RAF Airgram 23, dated 12th March, 1945

DATE: 27 March, 1945.
FROM: FOTALK PAGES
TO: NAVY SECRETARY OFFICE AND AC

FORWARDED FOR APPROPRIATE ACTION

REAR ADMIRAL

RECEIVED 21 MAR 1945
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No. 245.427778
ROME

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

SECRET

S-E-C-R-E-T:

NSC/1596
19 January 1945

From: Navy Sub-Commission, Hq. Allied Commission.
To: Commander-in-Chief, Mediterranean.
Subject: Italian Munition Plants.

1. A copy of AFHQ secret letter Ref. 1-6 of 10 January 1945, in connection with the subject plants is forwarded herewith for information with reference to Navy Sub-Commission, A.G. secret letter NSC/1505 of 16 January 1945.

H. W. KIRBY,
Commodore, U.S. Navy,
For Chief, Navy Sub-Commission, A.G.

Copy to:
COMINT FLEET.
POTENTIALITY.
FORAM



22 JAN 1945

7777

Mc

SECRET

SECRET

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

Ref. 1-6

10 January 1945.

SUBJECT: Policy on Italian Munitions Production.

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

1. This is an interim reply to Admiral Stone's letter of 26 December, ref L2.C3/ES, and will confirm telephone conversation Cols. Densmore/Butternorth on 9 January.

2. The original letter was submitted to G-3 and G-4(A) and (B) for consideration. Only one reply has been received to date. It suggests that "pending a determination of policy it is recommended that A.C. be advised to pursue the policy outlined by the Chief Commissioner with the exception made as to scrapping single-purpose machinery". It is further suggested in this opinion that single purpose machinery should be expended pending the possibility of its use in the Allied military effort.

3. This will not be considered as a final answer to the Chief Commissioner's letter, but will serve as an indication of the possible line the final answer will take.

For the Acting Assistant Chief of Staff, G-5:

H. S. BUTTERNORTH

Colonel, G.S.C.

Chief, Economics & Supply Division.

CC: Land Forces S/C
Air Forces S/C
Navy S/C.

7776

SECRET

SECRET

1683

File

RECEIVED, ALLIED COMMISSION
Navy Sub-Commission AND 3%

MSC/1905
16 January 1945

~~SECRET~~

From: Navy Sub-Commission, No. Allied Commission.
To: Commander-in-Chief, Mediterranean.
Subject: Italian Admission Plants.

1. With reference to CINC-CP, secret letter Med. 00180/42 of 29 December 1944, in connection with the subject plants, it is considered that the requirements thereof are met by paragraph 40 of the Chief Commissioner A.C. secret letter 12,03/45 of 26 December 1944, a copy of which was forwarded to CINC-CP, by Navy Sub-Commission, A.C. secret letter 790/1419 of 3 January 1945.

R. C. VINCE,
Commander, U. S. Navy,
for Chief, Navy Sub-Commission, A.C.

Copy to:
SECRETARY
FACULTY-CHIEF
FORWARD
RECORDING NO. 40.
RECORDING NO. 40.
LAWYER RECORD NO. 40.
AIR FORCE NO. 40.
AFHQ, C-5. (a/copy CINC-CP,
1tr. 29 Dec. 1944)



18 GEN 1945

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HEADQUARTERS, ALLIED COMMISSION
APO 384
NAVY Sub-Commission

NAC/1419

3 January 1945.

SECRET

From: Navy Sub-Commission, HQ, AG.
To : Commander-in-Chief, Mediterranean.

Subject: Policy on Italian Munitions Production.

Enclosure: Copy for Chief Commissioner, 12.03/45, 26-12-44.

With reference to Navy Sub-Commission, AG SECRET letters NAC/1283 of 29 November 1944 and NAC/1253 of 2 December 1944, a copy of the Chief Commissioner, AG SECRET letter 12 12.03/45 of 26 December 1944 is forwarded herewith for information with reference to the subject policy.

R. W. ZIROLI,
Commodore, U. S. Navy,
for Chief, Navy Sub-Commission, AG.

Copy to:
Com U.S. 8th Fleet
FOTALI-Taranto
FORAM

7774

46 JAN 1945

SECRET

COPY

S E C R E T

26 December 1944

12.03/ES

SUBJECT: Policy on Italian Munitions Production

TO : G-5, AFHQ

1. For some time there has been need for a policy governing the treatment of the Italian munitions plants, both state and private concerns.

2. It is considered undesirable that the existing plants, many of which are still capable of munitions production on a large scale, should be allowed to retain their present character. Moreover, the extent of destruction of other manufacturing plants makes it imperative that plants designed for the production of munitions be converted or cannibalized to the greatest possible extent for the production of civilian necessities. After considerable discussion within AC, including the Services Sub-Commissions, the interim policy, set out in para 4, is proposed for adoption by the Allied Commission as a basis for action until a general directive is received from higher authority.

3. The policy statements in para 4 are intended to cover all Italian munition plants (government owned or civilian) which formerly produced war-like stores (including war chemicals) exclusive of naval base establishments serving Allied naval needs.

4. (a) No production of war-like stores is to be permitted during the period of the present war. To this effect, materials and facilities imported by or otherwise in the control of the Allies will not be made available for such production.

(b) Through whatever procedures are established by the Italian Government and the Allied Commission for the handling of transfer of plant and machinery between private firms for the purpose of national reconstruction, it will be the intention of AC to encourage:

1) The use of all machinery capable of serving ⁷⁷⁷³ purposes necessary to the Allied war effort or to the rehabilitation of Italian economy for such purposes.

2) The dismantling (and use as scrap if appropriate) of any single purpose machinery capable of producing only war-like stores.

3) The use of space and power and other facilities thus made available in aid of the Allied war effort or rehabilitation of Italian economy.

COPY

-2-

(c) Exception to the foregoing will be made in the case of firms normally furnishing items and stores to the Italian Navy which will be permitted to maintain supplies at levels to be agreed with the Allied Naval Commander-in-Chief, Mediterranean. In the case of plants which have been working exclusively for the Italian Navy, no action will be taken without prior approval of the Allied Naval Commander-in-Chief, Mediterranean.

(d) This policy is to be of an interim nature. Long-term policy will be developed after advice of decisions as to the size of the Navy, Army, and Air Force to be maintained by Italy after the war and the nature of the equipment to be permitted.

5. In connection with the above statements of interim policy, it is contemplated that the Allied Commission will make a survey of Italian war-like stores in arsenals, factories, depots, dumps or in the hands of units of the Italian Armed Forces.

6. While it is recognized that those are matters of high policy, we consider it extremely important that the officers of AC who are in daily contact with this problem have some interim policy statement to guide them. It is therefore proposed that the statements in para 4 above be used as an interim guide for AC action. May we hear from you by 15 January 1945 if you do not wish these statements to be used in this way, pending advice of the over-all decisions referred to in para 4 (d) above.

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner.

Cc; Directorates:
Navy Sub-Commission
Army Sub-Commission
Air Forces Sub-Commission
Industry Sub-Commission
War Materials Disposal Sub-Commission
Commerce Sub-Commission
Political Section
Civil Affairs Section

COPY

1687

SECRET
ECC-CHS 31010

Date 17 Jan 48
Internal

Internal

Pr.	No	Pr.	No
Vice President		✓ ECONOMIC COUNCIL	
Col. Bessmore		RECONSTRUCTION SUB-COMMISSION	
Mr. Cleveland		COMMERCE " "	
Maj. Doe		FINANCE " "	
Maj. Richardson		FOOD " "	
Maj. Rooby		INDUSTRY " "	
Maj. Green		LABOR " "	
Capt. Buchanan		U. S. A. " "	
Capt. Murray		STAFF OF ARMY " "	
Lieut. Atkins		CHIEF COMMISSIONER	
Mr. Bakken		CHIEF OF STAFF	
Mr. Stauffer		DEPUTY CHIEF OF STAFF	
Mr. Lehman		CIVIL AFFAIRS & CHIEF	
Chief Clerk		ESTABLISHMENT COMMISSION	
		NAVY sk	✓

For Appropriate Action	Noting & Retention
Remarks/Recommendation	Signature
Dispatch	Investigation & Report
Information	File Copy
Circulation Return	Noting & Return

Remarks:

NOTE: When the attached piece of correspondence is ready for file - please write the word "FILE" and initial the correspondence - FOR the Buck-Slip. It is suggested that pertinent remarks showing continuity of action should be noted on the letter itself, i.e. the margins, rather than on the Buck Slip which will be destroyed when letter is filed.

7772

SECRET

SECRET

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

Ref. 1-6

10 January 1945

SUBJECT: Policy on Italian Munitions Production.

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

1. This is an interim reply to Admiral Stone's letter of 26 December, ref 12.03/ES, and will confirm telephone conversation Cols. Densmore/Butterworth on 9 January.

2. The original letter was submitted to G-3 and G-4(A) and (B) for consideration. Only one reply has been received to date. It suggests that "pending a determination of policy it is recommended that A.C. be advised to pursue the policy outlined by the Chief Commissioner with the exception made as to scrapping single-purpose machinery". It is further suggested in this opinion that single purpose machinery should be impounded pending the possibility of its use in the Allied military effort.

3. This will not be considered as a final answer to the Chief Commissioner's letter, but will serve as an indication of the possible line the final answer will take.

For the Acting Assistant Chief of Staff, G-5:

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

CC: Land Forces S/C
Air Forces S/C
Navy S/C

SECRET

SECRET

COPY

7771

4
FILE
B

SECRET

Office of the Commander-in-Chief,
Mediterranean,
Allied Force Headquarters,
29th December, 1944.

REF. 00180/42.

THE FLAG OFFICER, TARANTO, ADRIATIC AND LIAISON, ITALY (ROME)

(Copies to: Commander United States 3th Fleet.

The Flag Officer, Taranto, Adriatic and

Liaison, Italy.

The Flag Officer, Northern Area, Mediterranean.

Economic Section, A.C.

Industry S/C, A.C.

Land Forces S/C, A.C.

Air Forces S/C, A.C.)

ITALIAN MUNITION PLANTS.

With reference to the Naval Sub Commission's letter NSC/1233 dated 29th November, 1944, the Commander-in-Chief, Mediterranean, has no objection to the principle that Italian Industrial and Munition Plants formerly employed wholly or in part to sustain the Italian Naval War effort, should be converted to other purposes for the economic rehabilitation of Italy subject to the following conditions :-

- (a) That nothing is done to impair the efficiency of the Italian Navy in its present operational role or any future operational role which may be assigned to it. In this connection it is to be noted that paragraph 9 (c) (1) of the Appendix to Combined Chief of Staff's paper 513/1 dated 19th March, 1944, directs that for this purpose Italian resources and stores shall be used to the maximum extent of their availability.

- (b) That nothing is done to impair the output of Italian Industrial and Munition Plants engaged in production for the Royal Navy.

2. The first sentence of paragraph 2 of the Naval Sub Commission's letter NSC/1233 dated 29th November, 1944, is therefore concurred in.

3. The remainder of paragraph 2 is concurred in generally but it is preferred that each case to be dealt with under the recommendations of paragraph 3 should first be referred for the approval of the Commander-in-Chief, Mediterranean, having regard to the conditions in paragraphs 1(a) and (b) above. It is also suggested that any cases affecting Allied services other than the

Economic Section, A.C.
Industry S/C, A.C.
Land Forces S/C, A.C.
Air Forces S/C, A.C.)

ITALIAN MUNITION PLANTS.

With reference to the Naval Sub Commission's letter HSC/1233 dated 28th November, 1944, the Commander-in-Chief, Mediterranean, has no objection to the principle that Italian Industrial and Munition Plants formerly employed wholly or in part to sustain the Italian Naval War effort, should be converted to other purposes for the economic rehabilitation of Italy subject to the following conditions :-

(a) That nothing is done to impair the efficiency of the Italian Navy in its present operational role or any future operational role which may be assigned to it. In this connection it is to be noted that paragraph 9 (c) (1) of the Appendix to Combined Chief of Staff's paper 515/1 dated 15th March, 1944, directs that for this purpose Italian resources and stores shall be used to the maximum extent of their availability.

(b) That nothing is done to impair the output of Italian Industrial and Munition Plants engaged in production for the Royal Navy.

2. The first sentence of paragraph 2 of the Naval Sub Commission's letter HSC/1233 dated 28th November, 1944, is therefore concurred in.

3. The remainder of paragraph 2 is concurred in generally but it is preferred that each case to be dealt with under the recommendations of paragraph 3 should first be referred for the approval of the Commander-in-Chief, Mediterranean, having regard to the conditions in paragraphs 1(a) and (b) above. It is also suggested that any cases affecting Allied Services other than the Royal Navy should similarly be referred to the Service concerned before action. It is desired that reference should be made whether the proposal was for total or partial utilisation.

FOR A D E T H A L

785020

NAVY (6)-Continued

SECRET

29 November 1944

From : Navy Sub-Commission, W. Allied Commission.
To : Commander-in-Chief, Mediterranean.

Subject: Italian Position Plans - Utilization and Disposition of.

1. A conference was held on 28 November 1944 between representatives of the Economic Section, i.e., the Industry Sub-Commission, A.C. and the Navy, Army and Air Force Sub-Commissions to discuss the future utilization and the condition of Italian munition plants. A statement of policy is highly desirable in order to determine whether such plants can be utilized for industrial purposes in connection with the re-habilitation of Italy, or whether they are required for the production of munitions either for Allied or Italian requirements. If no useful purpose can be served by any or all of these plants, either in whole or in part, a directive is needed to determine what action should be taken to prevent the future use of these facilities by the Italian Government for purposes which are detrimental to the Allied interests.

2. The Navy Sub-Delegation representative at the conference stated, subject to approval by the Allied Naval Commander-in-Chief, Mediterranean, that all ships which were wholly owned or operated by the Italian Navy prior to the occupation of Italy, such as the Naval Hospital, Palermo, should be considered actually under the jurisdiction of Allied Naval authorities. This agreement to order passenger plants which were either privately owned or subsidized by the Italian Government under the auspices of the Italian Navy, it was stated that in the absence of affirmative action by Allied Naval authorities, it could be conservatively assumed that no requirements were laid for these facilities to manufacture munitions, but in event that the total utilization of such plants was contemplated clearance should be obtained.

3. Again, subject to the concurrence by the Allied naval command-in-chief, it was stated that there is no indication that the manufacture of munitions for the Italian Navy will be permitted to any considerable extent. For this reason, it was recommended that the economic action, ... and the industry ... should be determined effort to convert all Italian munition plants to industrial production for the rehabilitation of Italy, in order to decrease the demand on the United Nations for aid in this connection.

4. The most difficult problem presented to the conference was the allocation of funds which are vital to support facilities for the manufacture of war materials such as the Libby's Project and the production of uranium. The latter is being produced at Sarni, the mill-



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1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 26

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29 September 2016

Journal of Management Inquiry 20(4)

Italian Expedition Plans - Utilization and Distribution of.

turning plant of the Hawthorne Ordnance Works, Naples, or facilities for the manufacture of large calibre guns. The demilitarization of such facilities prior to the final peace settlement will be difficult to accomplish unless industrial uses can be found. While paragraphs 1 and 9a of 'Guided Minds' of Staff Secret Letter C-3 515/1 of 19 March 1944, definitely limit the utilization of Italian Naval armament facilities, they do not constitute an authorization for the demilitarization of such works.

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Sanford, V. C. Navy,
for Chief, Navy Sub-Commission, A. C.

Gary Lee
 Don M. McVitt
 William
 James
 Edmund Leitch, Jr.
 Industry 4/2, 4.5
 Land Forces 4/2, 4.5
 Air Forces 4/2, 4.5



HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

FWT/hs

12.03/ES

21 Nov 1944

SUBJECT: Italian Munitions Plants.

TO : Director, Navy Sub-Commission ✓
Director, Army Sub-Commission
Director, Air Forces Sub-Commission
Director, Industry Sub-Commission

1. You are asked to be represented at a meeting to be held in the office of the Executive Director, Economic Section (6th floor, Room 46, Main Building) on Thursday, 23 November 1944, at 1500 hours, to discuss the status of Italian Munitions Plants.

2. A copy of the agenda is attached.


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

1 Incl:
1 copy of Agenda .

7768

Major HASKREY

Director, Industry S/C.

*Copy of Bureau
sent to
5712*

File

Agenda for a meeting to be held in the office of the Executive Director, Economic Section, AC, on Thursday, 23 November 1944, at 1500 hours, to discuss the Status of Italian Munitions Plants.

The following are asked to be represented:

Director, Navy Sub-Commission
Director, Army Sub-Commission
Director, Air Forces Sub-Commission
Director, Industry Sub-Commission

AGENDA

1. To consider two reports on Italian Munitions Plants submitted to the ACOS, Economic Section, by the Director, Industry Sub-Commission, copies of which are attached to this Agenda as Annexes 1 and 2.
2. To discuss the policy to be followed by Economic Section in connection with these plants. A memorandum setting out a suggested policy is attached to this Agenda as Annex 3.
3. To request the Directors, Navy, Army and Air Forces Sub-Commissions to prepare and present to the Executive Director, Economic Section, statements of the requirements of munitions for the Italian Navy, Army and Air Force, respectively, and to define the limits of the programs to be represented in these statements.

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HEADQUARTERS ALLIED COMMISSION
APO 394
INDUSTRY SUB-COMMISSION

Annex 1

WEM/ci

Tel. 432

6 November 1944 -

Ref. AC/5613/IND.

SUBJECT : Italian Munitions Plants.

TO : Acting Chief of Staff, Economic Section
for Onward Transmission to
Allied Force Headquarters G-5 Section.

1. A directive is sought for action to be taken relative to Italian munitions plants.

2. For a relatively short term policy, it is desired to point out that at a number of munitions plants in Italy, considerable stocks of explosives and completed and partially completed munitions of various calibers exist. In some instances the materials lie strewn in a dangerous and haphazard fashion over a wide area and accessible to acquisition by interested parties. In view of increasing unrest in Italy, these materials must be regarded as a menace to public order and safety.

The following plants have been visited by officers of this Sub-Commission who observed considerable amounts of rifles, machine guns, small arms ammunition, medium and small caliber shells, ordnance in many stages of manufacture, trench mortar bombs, loaded torpedo warheads, detonators of countless sizes and types, loaded shell fuses, nitrocellulose and smokeless powder.

- a) Breda Works at Torre Gaia: machine guns and automatic weapons.
- b) Small Arms Works at Terni: large amounts of rifles, machine guns, parts, bayonets, swords.
- c) Pirotecnico R.E. at Capua: detonators, fuses, small arms ammunition of many calibers, live ammunition.
- d) Bombrini-Parodi-Delfino works at Colleferro: live torpedo warheads, small arms ammunition in profusion, hundreds of thousands of completed 20 m/m Breda ammunition, German ammunition reported in caves, detonators, etc.
- e) Industrie Chimiche Nazionali Riunite at Cesano di Roma: mustard gas and other toxic agents.
- f) Centro Chimico Militare, Rome: toxic agents.
- g) Several other plants in the Florence and Pescara areas, as yet

unexplored by officers of this Sub-Commission.

3. For a longer term policy, a directive is sought to cover action to be taken with productive plant and equipment designed and operable for the manufacture of munitions and implements of war. In a letter dated 13 May 1944 directed to AFHQ:MGS with subject "Basic Policy on Munitions Plants and Production in Liberated Italy" a directive on this matter was sought. A copy of that letter is attached. Since that letter was written, many more plants whose sole reason for existence is the manufacture of implements and materials of war have fallen into our hands. In view of the fact that much of the direction of the Italian industry is now being returned to the Italian Government, further delay in establishing a policy to cover:

- a) the dismemberment and/or cannibalization of such works, or
- b) the preservation of the status quo - i.e. simple inactivity or
- c) the reactivation of the works and for what purpose

would appear to be urgently needed, especially to head off action by the Italian Government that may be deemed subsequently unwise or undesirable by the Allied Governments. As an example, it is known to officers of this Sub-Commission that one firm engaged solely in the production of munitions is at present reconditioning and re-erecting part of its machinery. This plant has been recovered by them from hiding and from returned railway wagons abandoned by the retreating Germans. This machinery is designed specially for munitions and can be used for little else than its original purpose. No doubt further similar instances exist.

To amplify the problem, in addition to the industrial plants in the Naples area listed in the earlier letter, many more must be added:

- a) Bombrini-Parodi-Delfino works at Colleferro. Although much of its equipment has been carried away by the Germans, it still possesses plant and equipment for nitration of cellulose, glycerine etc. and given an opportunity, this company will almost certainly gravitate back into the munition industry, especially in view of the fact that munitions manufacture constitutes their entire experience.
- b) Steel Works at Terni: special equipment for the manufacture of heavy ordnance, armor plate and armor piercing projectile and shell forgings

- c) Nobel Dynamite Works, Bussi and at Carmignano near Signa (Florence Province).
- d) Società Prodotti Esplosivi Autarchici (SPEA), Narni.
- e) Metallurgica Italiana at Livorno and Pistoia: small arms brass cartridge cases.

4. In view of the fact that the greater number of Italian munitions industries are in the North, the formulation of a policy incorporated in a definite directive is deemed urgently needed. This in order to permit action adequate to the situation without undue, destructive and confusing delay.

1 Incl.:

Copy letter ACC/5142/IC
dtd. 13 May 1944 to:
AFHQ, MGS.


W. S. VAUGHAN
Director,
Industry Sub-Commission.

Copy to:

File 5587.

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C O P Y

Annex 2.

HEADQUARTERS
ALLIED CONTROL COMMISSION
INDUSTRY & COMMERCE SUB-COMMISSION

WJM/edg/rj

Ref. AOC/5142/IC

13 May 1944

SUBJECT: Basic Policy on Munitions Plants & Production
in Liberated Italy.

TO : AFHQ, EGS

1. Careful surveys carried out by officers of Industry & Commerce Sub-Commission, HQ AOC reveal, particularly in the Naples area, that despite air attack and German demolitions, there remain a large potential munitions industry in various states of repair. In some instances these plants are virtually intact, and given favourable conditions, could restart in a very short time. Their products are:

- a) Heavy and Light Artillery, Gun Carriages & Mountings.
- b) Shell Forgings and Machined Shells.
- c) Cartridge Cases and sinterised iron driving bands.
- d) Shell fuses.
- e) Complete torpedoes and associated parts.

2. An instance is the Ansaldo Ordnance Plant at Pozzuoli, whose machinery is in great part of first class British manufacture. Here artillery pieces up to 16" were turned and rifled and lathes and huge hydraulic presses still exist, capable on a long term policy of repair, of once more turning out weapons. Another example is the Silarificio Plants at Baia and Fusaro, which although damaged by German demolitions are once more returning to the production of torpedoes for the Italian Navy. The Bombrini - Parodi - Delfino Works at Naples, although partially damaged and partly not completely installed, is quite within

7763

the scope of a repair and rehabilitation programme for the production of shells by a special process and of sinterised iron shell-driving bands. Navalmeccanica, Naples, possesses a complete shell Machining Plant for medium calibre shells. This plant, it is considered, could commence operation in a month or six weeks with a little assistance.

3. From time to time in their tours or inspection, officers of Industry & Commerce Sub-Commission have come upon plants which are virtually intact and under the control of their late owners, and where materials and machines have not been willingly disclosed. In some cases machines are stored or installed in tunnels miles long hewn from the rock for safety from air attack. Some of these installations are intact and some are indeed so new as to have never produced.

4. Requisitioning of general purpose machine tools, motors etc. by the Allied Forces have to a great extent diminished the possibilities of restarting a complete operation in some plants. The special purpose machines, however, are present in very large numbers and are designed only to produce war materials. They are of little interest to the services and therefore remain undisturbed. The ancillary general purpose machine tools are naturally reconditioned and put to work by various branches of the services and although removed from their original homes, could be returned after the departure of the Allied Armed Forces.

5. A directive is therefore sought as to whether rehabilitation of any munitions plants is contemplated, and if so, for the production of with war materials.

6. On this directive would depend whether the present policy of services requisitioning of machine tools, motors, raw materials and ancillary equipment without any apparent integrated plan, but purely on grounds of immediate expediency, should continue. The question would also naturally arise as to the policy to be followed in respect of machinery constructed solely for one purpose - the production of munitions of war - and which cannot be adapted for any other purpose. If no rehabilitation of the plants is contemplated, are these units to be left in situ, or removed bodily from their present location.

7. Details of plants and products are in the possession of Industry & Commerce Sub-Commission as the result of the surveys mentioned in para.1) of this letter.

For Lieutenant General MASON MACFARLANE:

7762

Copy to:
File AC/5076/IC
1 Incl.:
List of Armaments Factories in
liberated Italy

D.S. ADAMS
Colonel, CE
Executive Officer
Economic Section

PLANTS WHICH MANUFACTURED ARMAMENTS SO FAR LOCATED IN LIBERATED ITALY

Establishment	Type of Weapon Produced
1. Ansaldo Ordnance	Ordnance Small, Medium Heavy Gun Mountings and Carriages.
2. Silurificio Torpedo Plant, Baia & Fusaro	Complete Torpedoes except Forgings.
3. Navalmeccanica, Naples	Shell Machining 75 m/m and 90 m/m calibres
4. Cantiere Metallurgici Meridionali, Castellammare.	Shell Machining 75 m/m
5. Ilva Steel Works, Torre Annunziata	Shell Forgings 75 m/m to 105 m/m Calibres
6. Società Meccanica "La Precisa" Naples	Shell fuses
7. Bombrini - Parodi - Delfino, Naples	All calibres of sintered iron driving bands, also 20 m/m, 90 m/m, 105 m/m Steel Cartridge Cases.
8. Sta Industrie Meccaniche Meridionale, Naples	Shell Machining 105 m/m
9. Sta Reale Spolettificio, Torre Annunziata	Shell Fuses
10. Sta Reale Arsenale, Naples	Medium Ordnance, Gun Carriages, and Gun Mountings. All calibres of shells up to 150 m/m calibres.
11. Sta Anon Napolitana Industrie Belliche, Naples	Shell Machining 75 m/m and 105 m/m calibres.

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Annex 3

SUBJECT: Italian Munitions Plants

1. Referring to the memorandum by H. S. Vaughan, Director of the Industry Sub-Commission on 6 November 1944, the following steps are suggested.

2. An interim Economic Section policy should be adopted along the following lines, to be superseded later by any policy statement or directive which we may be able to get from higher echelons.

a. No munitions will be produced under any conditions except to implement approved Allied programs.

b. "Approved Allied programs" will for the time being include only the following two categories; (1) equipping of agreed numbers of Italian troops; (2) any special contribution which the Allies decide the Italians can make in the way of munitions for the continuing Allied war effort (especially the war against Japan).

3. We should request the Army, Navy, and ~~Army~~ Air Forces Sub-Commissions for a statement of requirements for munitions for the Italian Armed Forces. No munitions of any kind will be produced against requirements of the Italian Armed Forces unless they have reached the Industry Sub-Commission through the Service Sub-Commissions.

4. We should put up to the Combined Chiefs of Staff, through AFHQ, the question of any special contributions which the Italians might make to the Allied war effort, by manufacturing munitions of special types. If the information is readily available, we might suggest the

gested.

2. An interim Economic Section policy should be adopted along the following lines, to be superseded later by any policy statement or directive which we may be able to get from higher echelons.

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b. "Approved Allied programs" will for the time being include only the following two categories: (1) equipping of agreed numbers of Italian troops; (2) any special contribution which the Allies decide the Italians can make in the way of munitions for the continuing Allied war effort (especially the war against Japan).

3. We should request the Army, Navy, and ~~Army~~ Air Forces Sub-Commissions for a statement of requirements for munitions for the Italian Armed Forces. No munitions of any kind will be produced against requirements of the Italian Armed Forces unless they have reached the Industry Sub-Commission through the Service Sub-Commissions.

4. We should put up to the Combined Chiefs of Staff, through AFHQ, the question of any special contributions which the Italians might make to the Allied war effort, by manufacturing munitions of special types. If the information is readily available, we might suggest the fields in which the Italian industrial economy might be able to make such a contribution, and what it would take in terms of power, coal transportation, and imported materials. In general, however, we should not try to "sell" to the Combined Chiefs of Staff the idea that Italy should produce munitions for the present war, but rather let such suggestions come to us from the Combined Chiefs.

- 2 -

5. Simultaneously, with steps 3 and 4, we should put up for decision at a high political level the adequacy and appropriateness of the interim policy, described in paragraph 2 above, on which we would be operating in ^{the} meanwhile.

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SECRET

HEADQUARTERS, ALLIED COMMISSION
APO 394
Navy Sub-Commission

367
/ 1
NSC/1253

2 December 1944.

SECRET

From: Navy Sub-Commission, Hq. AG.
To : Economic Section, Hq. AG.
Subject: Italian Munition Plants.

The interim policy dated 29 November 1944 in connection with the subject plants formulated as a result of the conference held on 28 November 1944 is concurred in subject to the remarks by the Naval Allied Commander-in-Chief, Mediterranean on Navy Sub-Commission, AG Secret letter NSC/1253 of 29 November 1944.

E. W. ZIMMER,
Commander, U. S. Navy,
for Chief, Navy Sub-Commission, AG.

Copy to:
C. in C., Med.
Com, US 6th Fleet
FORALL
FORAM
Ind S/C, AG.
Land Force S/C, AG
Air Force S/C, AG.

1-Incl.
Copy Interim Policy on Italian Munition
Plants, 29 November 1944.

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SECRET

29 November 1944

STATEMENT OF POLICY ON ITALIAN MUNITIONS PLANTS

1. This policy is intended to cover all Italian munitions plants which formerly produced war-like stores (including war chemicals) exclusive of naval base establishments serving Allied naval needs.
2. No further production of war-like stores to be permitted during period of present war.
3. All machinery capable of serving some other purposes useful to the Allied war effort or to the rehabilitation of Italian economy to be turned over to such other purposes.
4. All single purpose machinery capable of producing only wa-like stores to be dismantled and used as scrap.
5. Space and power facilities thus made available to be used either in aid of Allied war effort or rehabilitation of Italian economy.
6. Exception to the foregoing will be firms normally furnishing items and stores to Italian Navy who will be permitted to maintain supplies at levels to be agreed with G. in C. Med.
7. In the case of plants which have been working exclusively for Italian navy, clearance to be obtained from G. in C. Med.
8. This policy to be of an interim nature. Long term policy depends upon decisions as to the size of navy, army, and air force to be maintained by Italy after the war and the nature of the equipment to be permitted.
9. This interim policy has been coordinated with Navy, Army and Air Forces Sub-Commission, AG.
10. Army Sub-Commission, assisted by Industry Sub-Commission to make complete survey of Italian war-like stores in arsenals, factories, depots or dumps and arrange for them to be stored under guard and held at disposal of Army Sub-Commission.

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SECRET

Office of the Commander-in-Chief,
Mediterranean,
Allied Force Headquarters,
29th December, 1944.

MEMO ON 120/42.

THE FLAG OFFICER,

(Copies to:

TARANTO, AIRLIFT AND LIAISON, ITALY (ROME)

Commander United States 8th Fleet.

The Flag Officer, Taranto, Asiatic and Liaison, Italy.

The Flag Officer, Northern Area, Mediterranean.

Reconnaissance Section, A.C.

Industry S/C, A.C.

Land Forces S/C, A.C.

Air Forces S/C, A.C.)

ITALIAN MUNITION PLANTS.

With reference to the Naval Sub Commission's letter NSC/1233 dated 29th November, 1944, the Commander-in-Chief, Mediterranean, has no objection to the principle that Italian Industrial and Munition Plant's formerly employed wholly or in part to sustain the Italian Naval War effort, should be converted to other purposes for the economic rehabilitation of Italy subject to the following conditions:-

- (a) That nothing is done to impair the efficiency of the Italian Navy in its present operational role or any future operational role which may be assigned to it. In this connection it is to be noted that paragraph 3 (c) (1) of the Appendix to Combined Chief of Staff's paper 515/1 dated 19th March, 1944, directs that for this purpose Italian resources and facilities shall be used to the maximum extent of their availability.
- (b) That nothing is done to impair the output of Italian Industrial and Munition Plants engaged in production for the Royal Navy.

2. The first sentence of paragraph 2 of the Naval Sub Commission's letter NSC/1233 dated 29th November, 1944, is therefore amended to:

3. The remainder of paragraph 2 is amended in general but it is preferred that each case to be dealt with under the recommendations of paragraph 3 should first be referred for the approval of the Commander-in-Chief, Mediterranean, having regard to the conditions in paragraphs 1(a) and (b) above. It is also suggested that any cases affecting Allied Services other than the Royal Navy should similarly be referred to the Service concerned before action. It is desired that

7756

(Copies to: Commander Naval Station San Diego)

The Flag Officer, Taranto, Adriatic and Liaison, Italy.
The Flag Officer, Northern Area, Mediterranean.
Munitions Section, A.C.
Industry S/C, A.C.
Land Forces S/C, A.C.
Air Forces S/C, A.C.)

ITALIAN MUNITION PLANTS.

With reference to the Naval Sub. Commission's letter NSC/1233 dated 29th November, 1944, the Commander-in-Chief, Mediterranean, has no objection to the principle that Italian Industrial and Munition Plants formerly employed wholly or in part to sustain the Italian Naval War effort, should be converted to other purposes for the economic rehabilitation of Italy subject to the following conditions:-

- (a) That nothing is done to impair the efficiency of the Italian Navy in its present operational role or any future operational role which may be assigned to it. In this connection it is to be noted that paragraph 3 (c) (1) of the Appendix to Combined Chief of Staff's paper 315/1 dated 19th March, 1944, directs that for this purpose Italian resources and stores shall be used to the maximum extent of their availability.
- (b) That nothing is done to impair the output of Italian Industrial and Munition Plants engaged in production for the Royal Navy.

2. The first sentence of paragraph 2 of the Naval Sub. Commission's letter NSC/1233 dated 29th November, 1944, is therefore concurred in.

3. The remainder of paragraph 2 is concurred in generally but it is preferred that each case to be dealt with under the recommendations of paragraph 3 should first be referred for the approval of the Commander-in-Chief, Mediterranean, having regard to the conditions in paragraphs 1(a) and (b) above. It is also suggested that any cases affecting Allied Services other than the Royal Navy should similarly be referred to the Service concerned before action. It is desired that reference should be made whether the proposal was for total or partial utilisation.



for ADMIRAL

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